

In the jungle urban game

Channelled fools, muddled oafs, etc.

by CHRIS DUNKLEY

upon a time there used to be a television channel called "The Channel". It was a place where the great and the good of the television world used to congregate. It was a place where the great and the good of the television world used to congregate. It was a place where the great and the good of the television world used to congregate.

obvious by the screen's effect of making the actor seem to be in a different world. It was a place where the great and the good of the television world used to congregate. It was a place where the great and the good of the television world used to congregate.

contest's atmosphere of permanent gloom, of course, invented by the screen's effect of making the actor seem to be in a different world. It was a place where the great and the good of the television world used to congregate.

The Entertainment Guide is on Page 15

we are all very careful about television sport. It is a place where the great and the good of the television world used to congregate. It was a place where the great and the good of the television world used to congregate.

at father and wonder about an excitingly mispent youth. It was a place where the great and the good of the television world used to congregate. It was a place where the great and the good of the television world used to congregate.

How, except with the help of television, could so many of us have acquired, practically overnight, a taste for the oddities of the world? It was a place where the great and the good of the television world used to congregate.



You don't have to be Chinese: Desmond Douglas in the World Table Tennis Championships

London Theatre

The Entertainer

by B. A. YOUNG

Osborne's play that we should see. It is a place where the great and the good of the television world used to congregate. It was a place where the great and the good of the television world used to congregate.

Richard, dummy and be- to each assault. Emily Gordon Aldred's set is so evidently meant for portability. It was a place where the great and the good of the television world used to congregate.

Palladium

Bruce Forsyth

by ANTONY THORNCROFT

We were well into the third hour of Bruce Forsyth's (it must be an attempted entry for the Guinness Book of Records) and Bruce's nervous energy showed in the form of a personal attack on the audience. It was a place where the great and the good of the television world used to congregate.

Jazz at the Shaw

All this week, until Saturday, week of jazz ends with the quartet of vibraphonist Bobby Hutcherson and Michael Garrick's group. It was a place where the great and the good of the television world used to congregate.

Ill Room

L'Ecole d'Orphée

by NICHOLAS KENYON

dispose the sonatas of rushed and agitated where they should be held but serene. John Holloway, who contributed a solo viola sonata (Op. 5 No. 8) like- wise turned the *Allemanda* and *Giga* into mere display pieces. It was a place where the great and the good of the television world used to congregate.

Spring at the Cottlesloe

The National Theatre's first production at the Cottlesloe will be a new play by Stephen Poulakoff, *Strawberry Fields*, which will open on April 5. The cast includes Jane Asher, Kenneth Cranham, Peter Hugo, Maya Kemp, Anne Leon and Stephen...

Ewart-Biggs literary prize

An annual £1,500 literary prize is to be inaugurated to commemorate Christopher Ewart-Biggs, Britain's Ambassador to Ireland who was killed last year. The award will be made to the writer of any nationality, whose work contributes most to peace and understanding in Ireland and closer ties between the people of Ireland and Britain and part of the European Community.

Royal Opera House redevelopment

The Covent Garden Committee of the Greater London Council has approved the Royal Opera House's application for planning permission for work covering the westward extension of the Royal Opera House across Marl Street to James Street, providing improved dressing rooms and rehearsal areas.

St. John's, Smith Square

BBC Singers by PAUL GRIFFITHS

One of the most pleasurable and the most illuminating features of concert life in London this season has been the series of concerts given by the BBC Singers. Beginning at 6.30 p.m. and over by 8, these recitals have been well timed for those who believe in dinner, and they have offered a stimulating triple-course menu of Tallis, Brahms and something new. It was the Brahms item that proved most remarkable, as so often before. Nobody these days seems to have much time for small-scale Romantic choral music, yet it is a field of great richness and often unexpected bounty. There is, for example, little in Brahms instrumental or song output to prepare one for music so very Bachian as that of the *Two Motets*, op. 108, with which the first of these is a setting of diverse biblical utterances on the theme of patience unto death, wrapped up by verses from Luther, and the second is a sequence of chorale variations on an Advent hymn. Both were beautifully sung by the BBC Singers and adroitly conducted by their director, John Poole, attentive as much to nuances of harmony and phrasing as to the busy Baroque polyphony. I hope the team will continue their excursions into the 19th century; Schumann lies waiting. Mr. Poole and his chorus were no less impressive in the Tallis pieces, the first setting of Magnificat and *Spem in aliam*, and in the new work which was a piece specially commissioned from Gerard Schurmann. Though born in Java of Dutch parents, Schurmann counts as a British composer, having lived in this country since boyhood and taken British nationality. If there is anything British in his music, however, it is well submerged in what is a nondescript style. London Today.

BOND DRAWING

GRANGES AB 9% Bonds 1985

S. G. WARBURG & CO. LTD., announce that Bonds for the amount of U.S.\$1,250,000 have been drawn in the presence of a Notary Public, for the redemption instalment due 1st May, 1977.

The numbers of the Bonds so drawn are as follows:-

15	30	45	60	75	90	105	120	135	150
167	182	197	212	227	242	257	272	287	302
319	334	349	364	379	394	409	424	439	454
471	486	501	516	531	546	561	576	591	606
623	638	653	668	683	698	713	728	743	758
775	790	805	820	835	850	865	880	895	910
927	942	957	972	987	1002	1017	1032	1047	1062
1079	1094	1109	1124	1139	1154	1169	1184	1199	1214
1231	1246	1261	1276	1291	1306	1321	1336	1351	1366
1383	1398	1413	1428	1443	1458	1473	1488	1503	1518
1535	1550	1565	1580	1595	1610	1625	1640	1655	1670
1687	1702	1717	1732	1747	1762	1777	1792	1807	1822
1839	1854	1869	1884	1899	1914	1929	1944	1959	1974
1991	2006	2021	2036	2051	2066	2081	2096	2111	2126
2143	2158	2173	2188	2203	2218	2233	2248	2263	2278
2295	2310	2325	2340	2355	2370	2385	2400	2415	2430
2447	2462	2477	2492	2507	2522	2537	2552	2567	2582
2599	2614	2629	2644	2659	2674	2689	2704	2719	2734
2751	2766	2781	2796	2811	2826	2841	2856	2871	2886
2903	2918	2933	2948	2963	2978	2993	3008	3023	3038
3055	3070	3085	3100	3115	3130	3145	3160	3175	3190
3207	3222	3237	3252	3267	3282	3297	3312	3327	3342
3359	3374	3389	3404	3419	3434	3449	3464	3479	3494
3511	3526	3541	3556	3571	3586	3601	3616	3631	3646
3663	3678	3693	3708	3723	3738	3753	3768	3783	3798
3815	3830	3845	3860	3875	3890	3905	3920	3935	3950
3967	3982	3997	4012	4027	4042	4057	4072	4087	4102
4119	4134	4149	4164	4179	4194	4209	4224	4239	4254
4271	4286	4301	4316	4331	4346	4361	4376	4391	4406
4428	4443	4458	4473	4488	4503	4518	4533	4548	4563
4575	4590	4605	4620	4635	4650	4665	4680	4695	4710
4727	4742	4757	4772	4787	4802	4817	4832	4847	4862
4879	4894	4909	4924	4939	4954	4969	4984	4999	5014
5031	5046	5061	5076	5091	5106	5121	5136	5151	5166
5183	5198	5213	5228	5243	5258	5273	5288	5303	5318
5335	5350	5365	5380	5395	5410	5425	5440	5455	5470
5487	5502	5517	5532	5547	5562	5577	5592	5607	5622
5639	5654	5669	5684	5699	5714	5729	5744	5759	5774
5791	5806	5821	5836	5851	5866	5881	5896	5911	5926
5943	5958	5973	5988	6003	6018	6033	6048	6063	6078
6095	6110	6125	6140	6155	6170	6185	6200	6215	6230
6248	6263	6278	6293	6308	6323	6338	6353	6368	6383
6398	6413	6428	6443	6458	6473	6488	6503	6518	6533
6547	6562	6577	6592	6607	6622	6637	6652	6667	6682
6694	6709	6724	6739	6754	6769	6784	6799	6814	6829
6841	6856	6871	6886	6901	6916	6931	6946	6961	6976
6987	7002	7017	7032	7047	7062	7077	7092	7107	7122
7127	7142	7157	7172	7187	7202	7217	7232	7247	7262
7267	7282	7297	7312	7327	7342	7357	7372	7387	7402
7397	7412	7427	7442	7457	7472	7487	7502	7517	7532
7537	7552	7567	7582	7597	7612	7627	7642	7657	7672
7677	7692	7707	7722	7737	7752	7767	7782	7797	7812
7817	7832	7847	7862	7877	7892	7907	7922	7937	7952
7957	7972	7987	8002	8017	8032	8047	8062	8077	8092
8097	8112	8127	8142	8157	8172	8187	8202	8217	8232
8237	8252	8267	8282	8297	8312	8327	8342	8357	8372
8377	8392	8407	8422	8437	8452	8467	8482	8497	8512
8517	8532	8547	8562	8577	8592	8607	8622	8637	8652
8657	8672	8687	8702	8717	8732	8747	8762	8777	8792
8797	8812	8827	8842	8857	8872	8887	8902	8917	8932
8937	8952	8967	8982	8997	9012	9027	9042	9057	9072
9077	9092	9107	9122	9137	9152	9167	9182	9197	9212
9217	9232	9247	9262	9277	9292	9307	9322	9337	9352
9357	9372	9387	9402	9417	9432	9447	9462	9477	9492
9497	9512	9527	9542	9557	9572	9587	9602	9617	9632
9637	9652	9667	9682	9697	9712	9727	9742	9757	9772
9777	9792	9807	9822	9837	9852	9867	9882	9897	9912
9917	9932	9947	9962	9977	9992	10007	10022	10037	10052
10057	10072	10087	10102	10117	10132	10147	10162	10177	10192
10197	10212	10227	10242	10257	10272	10287	10302	10317	10332
10337	10352	10367	10382	10397	10412	10427	10442	10457	10472
10477	10492	10507	10522	10537	10552	10567	10582	10597	10612
10617	10632	10647	10662	10677	10692	10707	10722	10737	10752
10757	10772	10787	10802	10817	10832	10847	10862	10877	10892
10897	10912	10927	10942	10957	10972	10987	11002	11017	11032
11037	11052	11067	11082	11097	11112	11127	11142	11157	11172
11177	11192	11207	11222	11237	11252	11267	11282	11297	11312
11317	11332	11347	11362	11377	11392	11407	11422	11437	11452
11457	11472	11487	11502	11517	11532	11547	11562	11577	11592
11597	11612	11627	11642	11657	11672	11687	11702	11717	11732
11737	11752	11767	11782	11797	11812	11827	11842	11857	11872
11877	11892	11907	11922	11937	11952	11967	11982	11997	12012
12017	12032	12047	12062	12077	12092	12107	12122	12137	12152
12157	12172	12187	12202	12217	12232	12247	12262	12277	12292
12297	12312	12327	12342	12357	12372	12387	12402	12417	12432
12437	12452	12467	12482	12497	12512	12527	12542	12557	12572
12577	12592	12607	12622	12637	12652	12667	12682	12697	12712
12717	12732	12747	12762	12777	12792	12807	12822	12837	12852
12857	12872	12887	12902	12917	12932	12947	12962	12977	12992
12997	13012	13027	13042	13057	13072	13087	13102	13117	13132
13137	13152	13167	13182	13197	13212	13227	13242	13257	13272
13277	13292	13307	13322	13337	13352	13367	13382	13397	13412
13417	13432	13447	13462	13477	13492	13507	13522	13537	13552
13557	13572	13587	13602	13617	13632	13647	13662	13677	13692
13697	13712	13727	13742	13757	13772	13787	13802	13817	13832
13837	13852	13867	13882	13897	13912	13927	13942	13957	13972
13977	13992	14007	14022	14037	14052	14067	14082	14097	14112
14117									

NOTICE OF REDEMPTION

To the Holders of

Aktiebolaget Svensk Exportkredit

(Swedish Export Credit Corporation)

9% Notes Due 1982

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Indenture dated as of April 15, 1973 providing for the above Notes, \$3,362,000 principal amount of said Notes bearing the numbers set forth below have been selected for redemption on April 15, 1977, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date:

NOTES OF \$1,000 EACH

Table listing individual note numbers for redemption, organized in columns.

On April 15, 1977, the Notes designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Notes will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder or other party at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N.Y. 10015, or at the office of any law or regulations applicable thereto, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London or Paris, at the main office of Banque Generale de Luxembourg in Luxembourg, the head offices of Skandinaviska Enskilda Banken, Post- och Kreditbanken, Plankonten or Svenska Handelsbanken in Stockholm or the head office of Gotebanken in Goteborg. Payment at the offices referred to in (b) above will be made by check drawn on a dollar account, or by transfer to a dollar account maintained by the payee, with a bank in New York City. Coupons due April 15, 1977 should be detached and culled in the usual manner. On and after April 15, 1977 interest shall cease to accrue on the Notes herein designated for redemption. Following the aforesaid redemption, \$18,000,000 principal amount of the Notes will remain outstanding.

AKTIEBOLAGET SVENSK EXPORTKREDIT (Swedish Export Credit Corporation)

NOTICE

The following Note, previously called for redemption here, has not been presented for payment.

Table listing note numbers that have not been presented for payment.

This announcement appears as a matter of record only

US \$10,000,000

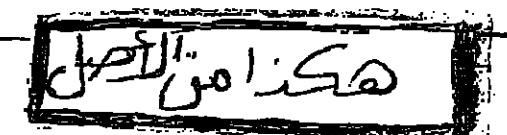


Medium term floating rate notes

All these notes have been privately placed by

Crefin SA Zurich

Agent: Crefin SA



EUROPE NEWS

Polish court backs food rioters' jail term

By CHRISTOPHER BOBINSKI. THREE YEAR prison sentences on two Ursus tractor factory workers have been upheld by the Warsaw High Court. Both men had been found guilty of damaging the main highway line outside the factory during last summer's demonstration against food price increases. At their trial both said that they had been beaten while in detention. The WDC also reports police harassment of workers in Radom, Grudziadz and Lodz. In its latest communique the WDC says 33 more cases of repression have come to light. In six months it has held 937 cases and knows of 998 people who have suffered repression following last summer's events. The WDC is still pressing for an inquiry into the aftermath of the demonstration and some 2,500 people have asked Parliament to set up an inquiry. Nine Soviet dissidents to-day appealed for the release of Belgian pamphleteer Anton Piepe, who was sentenced to five years in a labour camp on Friday on a charge of anti-Soviet agitation. Reuter reports from Moscow. They said in an open letter addressed to Western correspondents that the charges and verdict were "a crumb of the humanitarian of the Helsinki accords".

DISSENT IN EAST GERMANY

Wave of protest subsides

By LESLIE COLTIN IN BERLIN. THE CHORUS of protest in East Germany that followed the expulsion to West Germany in November of Herr Wolf Biermann, the political poet and folk singer, has subsided. Leading writers, actors and film directors who for the first time—and in union—openly criticised the Communist leadership and were joined by other less prominent "cult" figures, are now being punished by the state organs. East Germany's Communist authorities have reserved the mildest treatment for the 12 top authors who first deplored Herr Biermann's expulsion and called on the leadership to revise its decision. The hardest measures are being punished by the state organs. East Germany's Communist authorities have reserved the mildest treatment for the 12 top authors who first deplored Herr Biermann's expulsion and called on the leadership to revise its decision. The hardest measures are being punished by the state organs.

Enthralled

They note that Herr Jurge writer, who in No. taken from a car driver Robert Hav Marxist dissident, at the start of the year. The flare-up of among leading intel Herr Biermann and spread disillusion among East German youth. The 12 writers, representing virtually the elite of East German literature, have been dealt with more subtly. They are now the best known non-party members in the media. Although their books are still available in as far as they are not sold out. Six writers have been relieved of their party membership and two have been censured. None of them, though, has had his phone cut off or identity card and driving licence removed as was done to Charter 77 human rights supporters in Czechoslovakia. Frau Christa Wolf, in fact, had her latest novel published, and it was favourably reviewed in the party press. Her fellow writer, Herr Stefan Heym, has published a satire in the West on the effects of one month of prison. What we do not see is what the party calls "existing socialism".

Company Notices

Union Corporation Limited (Incorporated in the Republic of South Africa) NOTICE OF ANNUAL GENERAL MEETING. RAND SELECTION CORPORATION LIMITED (Incorporated in the Republic of South Africa) NOTICE TO HOLDERS OF SHARE WARRANTS TO BE Proposed Rights Offer of 10 562 536 Shares of 50 cents.

LEGAL NOTICES. In the Matter of AUGUSTUS PROPERTIES LIMITED and in the Matter of the Companies Act 1947. In the Matter of EASTWELL PROPERTIES LIMITED and in the Matter of the Companies Act 1947. In the Matter of THE HIGH COURT OF JUSTICE IN THE MATTER OF THE COMPANIES ACT 1947.

J.P. K... 150

Barre will retain Finance portfolio

DAVID CURRY

FRANCE'S Prime Minister, Jacques Chirac, has confirmed that he will remain as his own Minister in the Government he is forming as President Giscard d'Estaing's successor.

Chirac's instructions to the new administration for the general election of 1978 are generally accepted, following the President's nationwide broadcast in the course of yesterday's election.

The new Government should be "freed from party politics" and that there should be a clear division between the Government and the parties, a number of established Ministers will not be reappointed.

M. Michel Poniatowski, Interior Minister, leader of M. Giscard's own Independent Republican Party and the President's closest political confidant, is expected to be excluded from the new Government. M. Jean Lecanuet,

leader of the CDC party, which forms part of the ruling coalition, is also likely to lose his job. Both he and M. Poniatowski have been persistent critics of the behaviour of M. Jacques Chirac, leader of the Gaullists and former Prime Minister, who stood for the majority of Paris against the official Government candidate.

The third leading politician whose job seems forfeit is M. Olivier Guichard, the Justice Minister. He was the senior Gaullist in the outgoing administration and at one point led a delegation of Gaullist Ministers to the Prime Minister asking the latter to stop the attacks being levelled at M. Chirac by Ministers belonging to other parties in the coalition. All three men enjoyed the rank of Minister of State.

The dropping of M. Poniatowski and M. Lecanuet, even in the context of a general election of leading politicians, will probably please the Gaullists. In his address M. Giscard made at least a small personal gesture of reconciliation towards M. Chirac when he spoke of the achievements of the governments led by M. Chirac and M. Barre. Previously, the Elysee has tended to encourage, if only by its silence, the tendency to blame M. Chirac's reactionary programme of autumn 1975 for the seriousness of current economic difficulties.

It is not thought that the new Government will exclude every one with a formal political affiliation but merely those with a leading party political role. M. Christian Bonnet, the outgoing Agriculture Minister, is being tipped for the Justice Ministry while there are rumours that M. Alain Peyrefitte, who occupied various ministerial functions under Presidents de Gaulle and Pompidou and has recently come back before the public as the author of the best-selling analysis of French government and society "Le Mai Français" (the French sickness), could be recalled by M. Barre.

PARIS, March 29.

French cool U.K. energy concessions to EEC on new members in bid to secure JET project

By Our Own Correspondent

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, March 29.

PARIS, March 29. THE FRENCH Government, which until recently saw itself as the sponsor of Greek, Portuguese and Spanish aspirations, to EEC membership, has cooled noticeably towards the idea of an early enlargement of the Common Market.

There appear to be two reasons for this revision: the consequences for French agriculture of sharper competition from Mediterranean producers; and the fear that in its present fragmented state, enlargement would simply dilute the Community into a free trade area.

The most likely explanation for the change is the speed of the movement towards democracy in Spain. While the prospect of Spanish entry remained remote, Paris could afford to play the role of Spain's friend at court: the post-France changes and Spain's drive for European respectability have caused a harder examination of the consequences for France of the entry of a significant industrial and agricultural state into the Common Market.

The French Government is being careful to avoid compromising its stand that the door must be held open to the infant democracies, but it now talks about treating the negotiations with Greece, Portugal and Spain within a single framework.

THE BRITISH Government made two significant concessions over EEC energy policy to-day in an apparent bid to improve its chances of getting the JET, the Community's ambitious thermo-nuclear fusion project, sited in the U.K.

At a meeting of EEC Energy Ministers here, the U.K. agreed to drop its single-handed opposition to a plan to raise a 500m. unit of account (about £330m.) Euratom loan and also softened appreciably its demand that the Community adopt a Minimum Safeguard Price (MSP) for oil.

Britain placed a reservation on the proposed loan, to finance the construction of nuclear power stations, over a year ago after France raised strong objections to an MSP system, which the U.K. wants as a protection for investment in the North Sea and other energy sources.

Officially, Britain's decisions to-day were ascribed to Government satisfaction at the achievements of the Energy Council, notably an agreement on financing coal stocks. But in announcing the decisions, the Minister of State for Energy, Mr. Dickson Mahon, reminded his colleagues pointedly that Britain hoped to see further progress in efforts to decide on a site for the JET.

These were being pursued this evening at a meeting of EEC Research Ministers. The choice of sites has been effectively narrowed down to either Culham, near Oxford, or

Garching in West Germany, with Culham the apparent favourite.

It seemed likely that all-night negotiations would be needed to produce a package deal containing the concessions.

Mr. Anthony Wedgwood Benn, the U.K. Energy Minister, lost his campaign to open to the Press yesterday's debate on a possible energy-saving measures, writes Guy de Jonquieres. Despite the anodyne nature of the debate, Mr. Benn's proposal was criticised vigorously by other Energy Ministers as impractical, inadvisable or premature.

energy by means of advanced fusion technology.

The Energy Ministers agreed to-day to authorise the EEC Commission to perform detailed studies on alternative methods of protecting energy investments and to draw up one or more draft proposals for putting them into operation in time for the Council's next meeting in June.

The agreement was made possible by Britain's willingness to abandon its previous insistence on agreement by its EEC partners that an MSP was the only practicable system for safeguarding energy production.

The MSP system was endorsed by the last EEC Commission a year ago, but the new Energy Commissioner, Dr. Guido Brunner, who played a part in bringing about to-day's compromise, said that the forthcoming study would examine a range of options, including subsidies and guarantees.

According to the Commission, applications have already been received from concerns in Britain, France, Italy and West Germany for loans totalling more than 100m. units of account under the Euratom scheme. The British applications, for 15m. units of account each, were made by the Central Electricity Generating Board and the South of Scotland Electricity Board.

Meanwhile, Ministers agreed in principle on a proposal to introduce a system of monitoring and automatic licensing of coal imports into the Community.

Cost of living index rises 0.7%

OUR OWN CORRESPONDENT

TWO months of modest rise in the cost of living, the influence of a 10 per cent imposed price freeze on the French cost of living moved sharply in February. The 0.7 per cent rise, following the 0.3 per cent increase in January, illustrates the influence of President Giscard d'Estaing's new Government in its absolute priority inflation programme.

His Prime Minister, M. Barre, refuses flatly to all but the most selective price rise in the index, which annualised, will almost certainly be a claim from the actual cost of living up by much more than the figure, and April, when a rise in a number of tariffs will apply, may well be substantially above 1 per cent. The Government is hoping that, thereafter, the monthly increase will be more modest.

The main culprits for the February rise were petrol, foodstuffs and imported goods, including coffee, cocoa and oil. In addition, an increase in dental charges, imposed by the Government in defiance of the medical charges element in the computation.

Food prices were 2.1 per cent up over the month, services 0.8 per cent, while manufactured prices were only 0.4 per cent higher, a statistic which the Government will certainly seize on to prove that industry is observing the voluntary price restraints which replaced the compulsory price freeze at the start of this year.

Generally, however, the spurt in the index means that the sharp shock administered by price freeze and the January 1 cut in VAT has worn off, and the

Government must depend on the long haul of voluntary wage and price restraint, coupled with high interest rates, to bring inflation under control.

The problem is that the restraint in tariffs and prices in the public sector will inevitably have to be paid for out of the budget deficit. Despite M. Barre's attack on the deficits of nationalised industry (which will probably take some Frs.30bn. from the Government this year), he has admitted that the original target of a balanced budget for 1977 is unattainable, and an overall Frs.10bn. deficit is expected.

With recovery plans for steel, shipbuilding, fertilisers, aeronautics and pulp and paper promised, and President Giscard working out a plan of action to help the family, old age pensioners and the young jobless, it is quite possible that this deficit could become much bigger by year's end.

PARIS, March 29.

Week air strike goes on

DAVID CURRY

LOTS of Olympic Airreece's State-owned airline decided to strike for a further 48 hours, our Athens correspondent reports.

Over half Olympic's aircraft originally went on a strike a week ago over a dispute over pilots' pay and grievances on safety.

Encouraged by the International of Airline Pilots they then extended their strike, about 100 pilots are continuing the strike on February 27 of a wages claim of 24,000 drs will be paid to-morrow in a strike over the tax on oil instead of petrol.

party's application, UPI reports from Madrid. The month-old application was first delayed when the president of the court section suddenly died. His stand-in subsequently fell ill.

Azevedo returns
Former Portuguese Prime Minister, Admiral Jose Azevedo, who suffered a heart attack last June, told a news conference yesterday that he was retiring from the navy to head a newly-formed party called the Portuguese Social Democracy Movement. Reuter reports from Lisbon.

Turkish deficit bigger

DAVID CURRY

THE Turkish foreign trade deficit in the first two months of this year was \$600m., 17 per cent higher than in the comparable period of the previous year, preliminary figures showed yesterday, our Ankara correspondent writes.

While imports in this period grew by 25 per cent, to \$440m., the quantity declined by 30 per cent, to \$336m.

Norway-Soviet fish
A Norwegian delegation will leave for the Soviet Union without reaching a fishing rights agreement between the two countries, a Norwegian told UPI yesterday. The negotiations centred around Soviet and Norwegian claims in the Barents Sea, considered one of the richest fishing areas in the world.

Danish trade deficit

DAVID CURRY

THE Danish February trade deficit fell to Kr.1.19bn. from a January shortfall of Kr.1.8bn., preliminary figures from the statistical bureau of Copenhagen showed yesterday, our Copenhagen correspondent reports.

The Danish February trade deficit fell to Kr.1.19bn. from a January shortfall of Kr.1.8bn., preliminary figures from the statistical bureau of Copenhagen showed yesterday, our Copenhagen correspondent reports.

Norway-Soviet fish
A Norwegian delegation will leave for the Soviet Union without reaching a fishing rights agreement between the two countries, a Norwegian told UPI yesterday. The negotiations centred around Soviet and Norwegian claims in the Barents Sea, considered one of the richest fishing areas in the world.

ALISM IN HUNGARY All it takes is a little enterprise

BY GEORGE SCHAPPLIN

THE theory of capitalism is well in Communist Hungary. That surprising emerges from a document circulated privately in Hungary, studying income there.

A certain "Janos" is equivalent to "John" and called "A Hidden of Freedom." It is virtually every sector of private enterprise.

He claims that private work with individual profit is actually the way in which the economy could survive without agriculture and in industry, he says, are allowed an area in which they can themselves to pursue gain. In agriculture, the state owns the land, but the farmer has incomparably more than a state or collective small scale operations. Collectives have a proportion of the land guaranteed them but can earn substantial sums through the market.

Statistics back this finding 85 per cent of the state sector (state collectives) is only 65-70 per cent of agricultural output. In some the proportion is well above: 60 per cent are privately owned, 40 per cent of poultry.

He emphasises that it is the name of private production is significant, but there are two sources. Hardly any families derive their income exclusively from the state, but for most the state is crucial.

State managers recognise peasants' right to raise their standard of living through efforts. They also see the arrival of private enterprise intimately linked with the survival of the socialist system.

So, paradoxically, the socialist sector finds itself the guarantor of individual enterprise because the guaranteed state income serves as the basis for capitalist ventures which provide the larger share of earnings.

The quality of incomes is produced in urban areas. Between 1961 and 1974 over two-thirds of all dwellings in Hungary were built by private efforts. The labour involved was undertaken by individuals in their own time. Employees of state concerns, occasionally used the tools and even materials supplied by their employer.

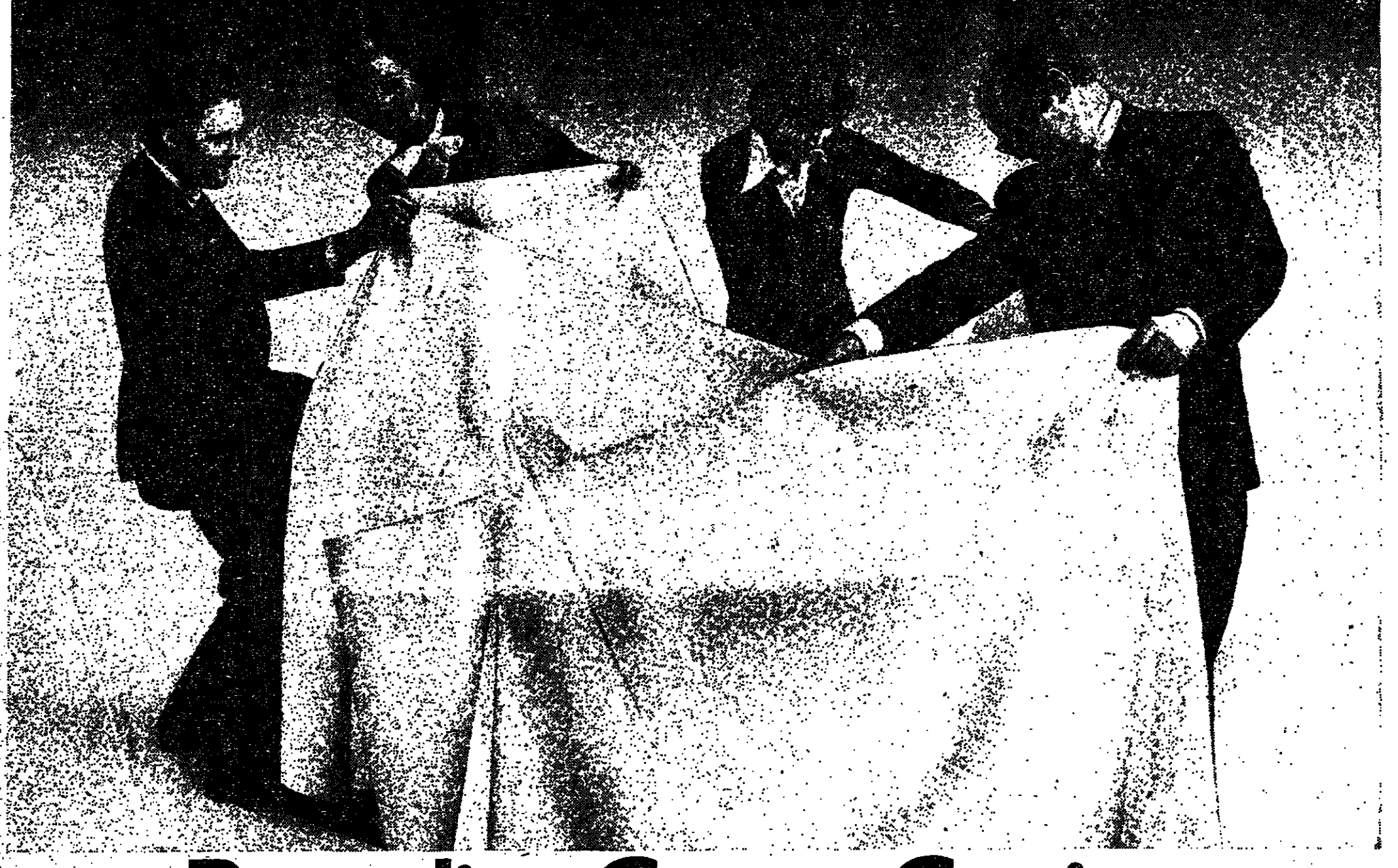
The overwhelming proportion of services and repair work is carried out by individuals whose primary employer is the state, but whose private work is vital in satisfying urban demand.

The intelligentsia takes part in this duality by taking on private work in consultancy, agency, translation, part-time jobs, and the like. The private part of the tourist industry is another example. Over half of all overnight stays in Hungary are in private houses or flats allocated to visitors by the state tourist agency.

This picture is completed by a small and shrinking number of people working only in the private sector, both in agriculture and industry (private peasants and artisans) and in commerce. The reason for the shrinkage is not so much state intervention, but simply that duality is more advantageous, as it provides a more secure foundation for private enterprise and is more difficult for the state to control and tax.

A major exception is the skilled working class employed in large enterprises, where control over both materials and workers' time tends to be much stricter. Perhaps this is why the greatest social tensions have arisen in precisely this sector of society.

But for the majority duality is a central aspect, and one which has contributed greatly to the political stability of Hungary in the last decade and a half.



Revealing Canon Copiers, the next step forward in copying.

Famous world-wide for sophisticated lenses, cameras and optical equipment, Canon has applied their enormous build-up of experience, vast research and development skills, to the problems of copying systems.

These problems were identified as poor quality of copies, all too frequent periods when machines are out of service and poor response to calls for service.

Proved around the world
Over 15 years of intensive research by Canon went into developing what is truly the New Process for copying (hence individual machines designated by NP).

It incorporates technology that is highly advanced mechanically, optically and electronically.

The system has been tested and proved around the world—America, Europe, Asia—and is now available in the United Kingdom.

Consistent copy quality
A major factor in the international success of the Canon range is consistently high copy quality. Copies are sharp and clear not just after an engineer's visit, but for copy after copy, after copy.

Canon's new copier range incorporates a process that is approximately 50 times more sensitive to light than other systems. They give copies with solids and lines that are exceptionally sharp and clear.

With pictures and half-tones, the tonal range has unusually smooth gradation across the copy image.

Simple to run
Canon copiers also consider the operator. Controls are simple. Paper loading is made easy with cassettes. On some models paper sizes can be selected by push-button.

The Canon Total Guarantee Agreement.
Every Canon copier installation is part of a Total Guarantee Agreement.

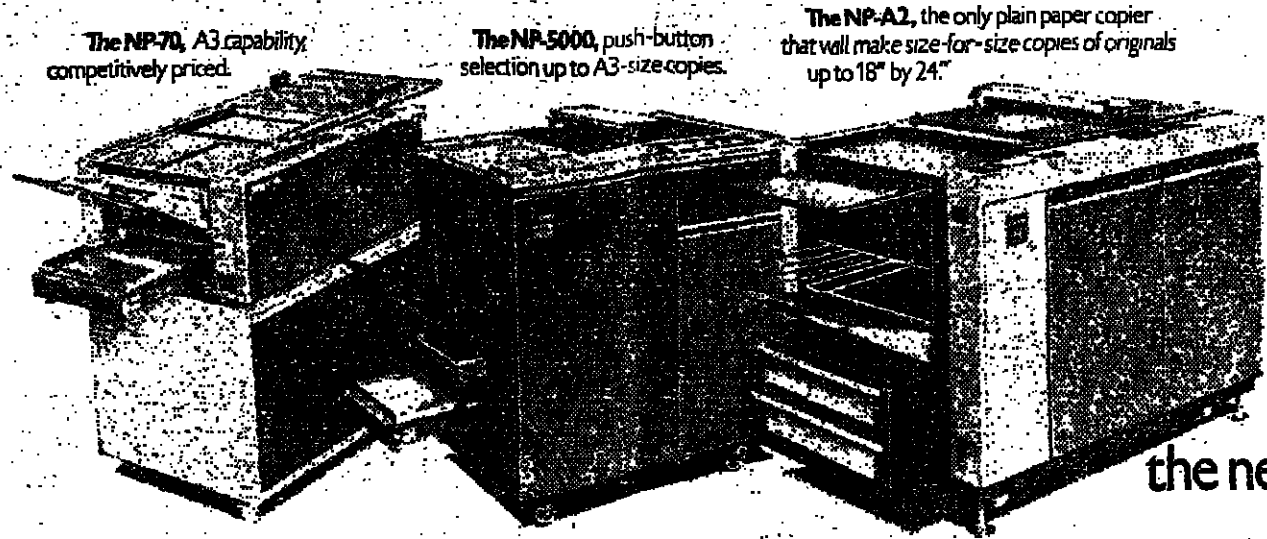
This means to the user that we guarantee that Canon technology and standards of maintenance will assure consistent copy quality.

We guarantee that this same technology and efficient after sales service will ensure maximum machine operational performance.

We also guarantee that Canon pricing and support assure implementation of pre-determined costs.

All this makes Canon copiers the major step forward in plain paper copying.

The next step forward is now up to you.



To: Canon Business Machines (UK) Ltd.,
Sunley House, Bedford Park, Croydon CR9 0XE Telephone: 01-680 1966.

Please let me have further details on Canon Copiers

Please arrange to see me

NAME _____

POSITION _____

COMPANY _____

ADDRESS _____

TEL _____

Canon the next step forward in copiers.

AMERICAN NEWS

U.S. may close Rhodesian office

By Our Own Correspondent
WASHINGTON, March 29.
THE CARTER administration may be preparing to close the Rhodesia Information Office in Washington as part of its efforts to tighten sanctions against the break-away regime.

Until now, despite the U.S. support for sanctions, the information office has been allowed to operate under the terms of the Foreign Agents Registration Act. This lays down the framework within which foreign organisations can establish lobbying offices in the country.

Justice Department officials yesterday visited the two men Rhodesia Information Office and began a detailed examination of its records. The Justice Department denied that it was acting in conjunction with the State Department and refused to comment on the reasons for the investigation of the office.

However, it is widely believed that the investigation is connected with the State Department's support for a United Nations resolution which is expected to be approved shortly. This calls on member nations to ban the transfer of Rhodesian funds within their borders, a move which would force the closure not only of the Washington office but also those in Australia and France.

Carter allows \$2bn. arms sales - \$4bn. more delayed

By DAVID BELL WASHINGTON, March 29.

PRESIDENT CARTER was reported to-day to have approved about \$2bn. of U.S. arms sales, mostly to Nato allies and to Israel. The President has been personally assessing \$6bn. of proposed arms sales in his campaign to reduce the level of American arms shipments overseas. During and since the election campaign, he has said repeatedly that the United States should not be "arms merchant" to the world. A full list of the countries which are to receive arms has not yet been published but most of the projects that the President has approved involve relatively non-controversial items.

Included in the approvals, according to State Department sources, are howitzers and tanks for Israel, about \$500m. in contract construction for Saudi Arabia, jet fighters for Greece and a variety of other equipment for Nato countries as well as Jordan, Pakistan and South Korea. The new aid to South Korea has been approved despite administration concern about the treatment of dissidents in that country. Mr. Vance, the Secretary of State, made an exception to the general rule about human rights earlier this month, saying that it could raise serious problems if relations between the U.S. and Iran should become strained.

The remaining \$4bn. of outstanding arms sales may be approved but are likely to be held up pending a review of arms sales policy due to be presented to the President on April 11. One of the prime concerns of the inter-agency task force drawing up the guidelines is the number of U.S. technicians serving in the Middle East. A Senate report on U.S. arms sales last year was sharply critical of the involvement of many thousands of American civilians in the country, saying that it could raise serious problems if relations between the U.S. and Iran should become strained.

Court to review plutonium plant ban

By Our Own Correspondent WASHINGTON, March 29.

THE U.S. Supreme Court has agreed to consider whether further safety studies are needed before the Government goes ahead with the licensing of plutonium re-processing facilities.

The court said yesterday that it will review a lower court decision which banned the watchdog Nuclear Regulatory Commission from even issuing temporary licenses for re-processing plants until a full scale study had been completed. The implications of the wide availability of plutonium had been completed.

The public utility companies that brought the case before the court argued that further delay would hamper the much needed development of new energy sources and urged that the lower court decision be overturned.

President Carter is expected to include a proposal to delay indefinitely the licensing of plutonium plants in his energy package to be unveiled next month. He has said in the past that he agrees with environmental groups—the same groups that won the lower court decision on which the Supreme Court will now rule—that plutonium poses a radiation danger because of the difficulties of processing and transporting it.

Senate committee votes to defer car exhaust restrictions

By JAY PALMER NEW YORK, March 29.

FACED WITH a legal impasse which could have left all cars every car made which does not meet the U.S. after this meet the rules, the car makers backed down and agreed to a 12-month delay in the planned tightening of exhaust emission standards.

Late yesterday the Senate Environmental and Public Works Committee agreed that emission year delay in the new rules. The proposals submitted by the committee would be tightened on 1978 models existing legislation had set standards unchanged for 1979. Standards would begin to tighten in 1980 and tighten further in 1982. Then but to the makers have already said their vote in the Senate committee and 1973 vehicles would not meet the new rules. Rather than pay the being enacted.

Environment plan likely to provoke controversy

By JAY PALMER NEW YORK, March 29.

PRESIDENT CARTER, true to his campaign promises, will soon present to Congress an environmental message with a long list of proposals that could come into effect over the next 12 months. Many of the President's key ideas have already been leaked and seem likely to cause a good deal of controversy within both Congress and affected industries.

The President is expected to send to Congress an environmental message which aides are preparing. The President is expected to deliver the message sometime next week although the White House still refuses to confirm the timing.

In the important area of offshore oil and gas, the President is expected to propose a greatly increased degree of Government attention to expected environmental impact. Plans will be screened much more closely and certain sensitive areas would be placed off limits, at least, until other areas had been exhausted.

USSR ponders Vance proposals

By DAVID SATTER MOSCOW, March 29.

MR. CYRUS VANCE, the U.S. Secretary of State, met this morning for two hours with Mr. Andrei Gromyko, the Soviet Foreign Minister, in the Kremlin. They did not discuss the two strategic arms limitation proposals presented by Mr. Vance yesterday, supposedly because the Russians are studying them. Mr. Hodding Carter, the U.S. State Department spokesman, said he did not know what the agenda was for to-day's session, but the American delegation was made up of arms control negotiator Mr. Paul Warnke,

National Security Council member Mr. William Hyland, the U.S. Ambassador to Moscow, Mr. Malcolm Toon, and Lieut.-General Edward Rowney, the representative of the U.S. Joint Chiefs of Staff at the SALT negotiations. Mr. Vance has also put forward a proposal for a simple ratification of the Vladivostok agreement, but excluding the American Cruise missile and the Soviet Backfire bomber. Disagreement over how and whether to include the Cruise and the Backfire in a second arms limitation agreement has been the principal cause of the impasse in the negotiations.

colling of 1,500 or 2,100 offensive bombers and missiles, substantially below the 2,400 maximum set in the 1974 Vladivostok accord. Mr. Vance has also put forward a proposal for a simple ratification of the Vladivostok agreement, but excluding the American Cruise missile and the Soviet Backfire bomber. Disagreement over how and whether to include the Cruise and the Backfire in a second arms limitation agreement has been the principal cause of the impasse in the negotiations.

Brazilian opposition causes a crisis

By David White RIO DE JANEIRO

AN UNCOMPROBING Brazilian Democratic Movement (MDB), to-day the provoke a major crisis over a Government reform bill.

Politicians of both and the Government National Renovath (Arena), were seeking a confrontation over posed reform, while two-thirds vote in ordinary session scheduled for last night the necessary majority needs also and 34 from the ML leadership in Congress has declared its support for the proposed reform considers inadequate.

The position of the Government is believed to be in a difficult position. The measure through cancelling the mandate sition congressmen pending Congress; the government dis similar confrontations. The first since Congress opened in 1969. The determination to reform follows the new MDB congress. Sr. Alencar Furtado from Paraná, hostile to the "authentic radical wing of the reform. The reform is mainly technical in at speeding up legislation. The MDB is seeking which includes greater discretion in presidential and the tion of habeas corpus of political details. The MDB is also blocking another would lift a rule of bars of Congress in whip. This proposal a first step toward areas would be placed off limits, at least, until other areas had been exhausted.

CALIFORNIA'S COURTS

A liberal lady head the ben

By WILLIAM SCOBIE

IN MATTERS legal, as is much else, California has a reputation as a progressive State; now it has taken another pioneering step with the appointment of Miss Elizabeth Rose Bird, 40, not only as the first woman on the California Supreme Court, but also its Chief Justice.

But it was not without a long, and often rancorous, struggle that Ms. Bird—as she prefers to be called—got the job. Governor Edmund Brown Jr. has selected several controversial nominees for high office during his two years and two months in office—none more so than this tall, Berkeley-trained lawyer who is also a close political confidante of the chief executive.

Mr. Brown and Ms. Bird see eye to eye on most matters. As Secretary of Agriculture in his Cabinet for the past two years she is credited with devising the farm labour law which has brought inter-union peace to the California fields, and which is seen as the Brown administration's major accomplishment to date. Like the Governor, she is an ardent advocate of civil liberties, has a brilliant intellect, and is a tireless worker. She has never married.

The opposition to Ms. Bird is not, ostensibly at least, related to her being a woman. There are many highly regarded women judges in California, and around the U.S., and one (in North Carolina) heads a State Supreme Court. Ms. Bird's problem is she has never been a judge, and that she is a liberal, allegedly averse to the death penalty—in a State that these days is deeply alarmed by the rising crime rate.

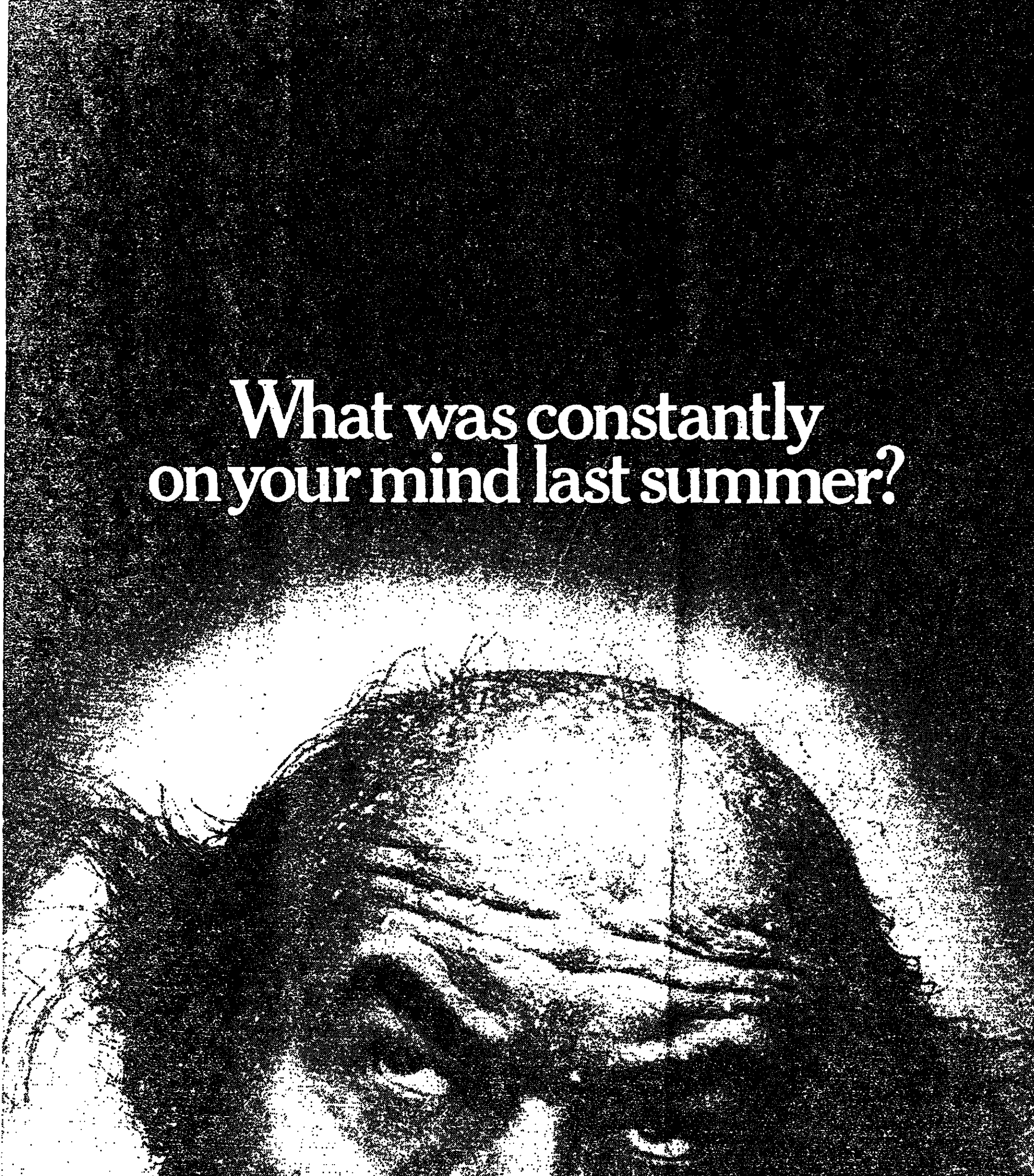
The chorus of antagonism to her was led by a group of would-be Republican candidates for the Governor's office in 1976, among them Los Angeles' flamboyant Chief of Police, Mr. Ed Davis, who said that Mr. Brown had shown his contempt for the judiciary (and thus for law and order) in nominating Ms. Bird rather than an experienced judge. Another candidate is the state's Attorney-General, Mr. Evelle Younger, who, as it happened, held the casting vote on the three-man commission on judicial appointments, which had to ratify the Governor's choice.

More than 40 witnesses were heard by the commission—many of them with vehement criticisms of Ms. Bird—before Mr. Younger finally cast an assenting vote. "I do so reluctantly," he explained, "because there are many judges better qualified."

But he did not feel that he had the moral right to oppose the Governor's choice when the law did not require that he appoint the best-qualified person to the post. Ours, he said, is a young man. Younger was also worried about the effect "no" would have had on his gubernatorial chances. He might modify his own party's Right wing; he would not please the vast majority of women voters.

And so Ms. Bird has won this important and influential office, while she may lack experience on the bench, there is no question but that she is a brilliant legal scholar, and a first-rate administrator (as Chief Justice, admin-

NOTICE OF RE To the Hon Du Pont O Finance 7 1/2% Guarant Due December NOTICE IS HEREBY GIV April 15, 1977 at the end of the principal plus accrued interest... Whether you are quoted in the press or in a business or financial publication, you will want to review your stockbro



What was constantly on your mind last summer?

Are you really prepared to sweat out this coming summer the way you did the last one? If not, you might think of installing an air conditioning system. What an air conditioning system does is to draw the hot air out of a room, cool it, de-humidify and filter it, and

feed it back in, fresh and clean. The result? Suddenly you find you have more efficient staff, contented customers, improved efficiency, and better profits. If you'd like to know the full details about the wide range of air conditioning systems, contact your Electricity Board.

They'll send you the latest air conditioning leaflet which explains the how, why and where, with examples. Or you can ring Bernard Hough on 01-834 8828. Or you can write to him at the Air Conditioning Advisory Bureau, 30 Millbank, London SW1P 4RD.

FRESHELECTRIC The Electricity Council, England and Wales.

هكزا من النصل

OVERSEAS NEWS

Committee refer car restrictions

plan likely

California's

A liberal head the

Angola 'main support' of Katangese

DAVID BUCHAN

STICATED guerrilla train-... provided by the Angolan... Government is the main... in the success of the... into Zaire's Shaba Pro... according to reliable... in the Belgian capital... over the highways... avoiding the highways... at night while at the... using enough mortars... Zaire troops from... oriant garrison and rail-... of Mutshatsha last... capture of this town gives

banon like tended

defying Syria and... President Elias Sarkis... Christians yesterday... the President's appoint-... a neutral officer as com-... of Lebanon's shattered... press, UPI reports from... But rightist parties have... the challenge to Presi-... dential and the strike was... itally observed.

reshuffle

Prime Minister U Sein... two other Ministers... yesterday in a major... reshuffle, and U Maung... aerto minister of Mines... ur, was appointed Prime... Reuter reports from... U Sein Win and Deputy... U Lwin, who also... were recently criticised... res of the ruling Burma... Programme Party for... adhere to policies laid... national economic plans.

research grant

Development Bank yes-... approved a technical... grant of \$500,000 to the... al Rice Research In-... crease the size of its... city development pro-... and to expand its genetic... and utilisation pro-... AP-DJ reports from... this is the bank's second... assistance grant to the... sed research institute.

rests

military government has... be arrested and question-... more than 100 officers... ans in connection with... ve coup on Saturday, a... ng military source said... Reuter reports from... He said that among... be detained for investi-... ve four newspaper own-... s, a newspaper owner... than 100 military

BRUSSELS, March 29.

to rely on about 20,000 for... counter-insurgency operations... There may be as few as 3,000 of... these in Shaba, because Mr... Mobutu has the long Angolan... border to watch (and the Ango-... lan enclave in Cabinda) for... further incursions, and in addi-... with the far southeastern of the... country bordering on Lake... Tanganyika.

JOHANNESBURG, March 29.

ment to train non-whites as... "journeymen aides"—of which... the company now employs some... 230, assisting the 680 white... artisans.

MAPUTO, March 29.

of Soviet weapons to shorten the... war and topple the regime... The talks here began with... an official Soviet assurance that... Moscow was not seeking a naval... base in Mozambique.

ON OTHER PAGES

International Company News:... BASF export demand... Pressing to maintain dividend... 30/31

Farming and Raw Materials:... EEC farm talks breakdown... Spices outlook: 33

Agencies

Suharto appoints team on tanker row

JAKARTA, March 29.

PRESIDENT SUHARTO of... Indonesia has appointed a... three-man team, including... Attorney-General Ali Said... Deputy State Secretary Ismail... Saleh and an intelligence... officer Maj-Gen. Ewuy... Mardani, to settle the problem... of the Pertamina tanker fleet.

The Attorney-General to-day... confirmed that Lt-Gen. Ibnu... Sutowo, former president-... director of the state oil com-... pany, is being held under... house arrest, pending comple-... tion of an investigation into his... role in organising the fleet, which... has cost the company an... estimated \$2bn. in charter... fees.

He said the arrest is not... formal, and no charges have... been brought yet. He also... denied reports that 20 to 30... other former Pertamina... officials have been detained but... confirmed that two former... aides of Gen. Sutowo were... arrested and identified them by... their initials. Informed sources... later named the two as Tirta... Utomo, former Pertamina legal... adviser, and John Nizar... former chief of administrative... services of Gen. Sutowo. The... Attorney-General indicated that... the two men were well acquaint-... ed with Pertamina's tanker... arrangements.

Secretary of State Sudhar-... mono suggested that the action... against Gen. Sutowo is related... to his remarks in February... when he told the Wall Street... Journal he had advised the... Indonesian Government to... honour billion-dollar hire-... purchase and charter contracts... with the Geneva shipping... broker Mr. Emce Rappaport... But it is believed here that... the move against the general... and his former aides may be... part of a Government effort to... reinforce its defence in the... continuing local dispute with... Mr. Rappaport.

In the second of his series Lasse Jensen looks at Vietnam's foreign policy Armed in a sea of troubles

WHEN Mr. Leonard Woodcock's... American delegation stepped out... of its aircraft C-141 Starliner at... Hanoi's Gia Lam airport two... weeks ago they saw a familiar... sight—a Lockheed C-130... Hercules Transport. What made... it unusual were the Vietnamese... colours—a red flag and a big... yellow star—on its tail. It was... one of the dozens of operational... American-built aircraft which... fell into the hands of the Hanoi... forces, when they swooped down... from the Central Highlands two... years ago.

Hanoi is now the most formid-... able armed power in South-East... Asia, with the fourth biggest... army in the world, Asia's biggest... airforce, and among the world's... toughest and most experienced... soldiers.

Not long ago the architect of... the 1975 victory, Defence... Minister Mr. Vo Nguyen Giap, announced compulsory military... service for all Vietnamese and... said that there were no imme-... diate plans to demobilise the... 800,000-strong army.

The announcement sent waves... of anxiety through several South-... East Asian capitals. The fear... that Hanoi may use its forces... and the enormous amount of... American military hardware... captured—to expand its sphere... of influence in the region, is... never far from the surface in... Bangkok, Kuala Lumpur, Ja-... karta and Manila. In Hanoi, the... Vietnamese are well aware... of their military strength and... of the uneasiness which it causes... abroad.

The Deputy Foreign Minister... Mr. Nguyen Co Thach, pushes... the fears of the neighbours... aside, saying: "Our policy is... peace, and I stress this because... our neighbours fear our strong... army. I am 56 years old and have... spent 30 years in war and 26... years under French colonial... rule. This has taught me how... precious peace is. If we ask... people to fight again, they'll re-... volt, unless of course Vietnam is... invaded again. And that is pre-... cisely the reason we do not... demobilise, because peace is... essential to the fulfilment of our... economic plans."

Again and again the Vietna-... mese leaders stress this point... They want desperately to con-... vince their neighbours that... reconstruction in Vietnam super-... cedes all foreign policy activities... except those connected with... economics and aid. According... to one foreign ministry official... the problems of reconstruction... are so vast that Hanoi has made... it very clear to other Asian re-... volutionaries that Hanoi will not... serve as the ideological or mili-... tary Mecca of the area, and... that they will have to fight their... own wars.

Many Vietnamese point out... that Vietnam has gained enor-... mous prestige by defeating the... world's foremost "imperialist"... power and that it will not risk... that prestige by intervening... elsewhere. But international... prestige and military strength... give rise to a certain amount of... self-confidence and arrogance... The Vietnamese are waiting for...

International pres-... tige and military... strength give rise to... self confidence and... arrogance... the... Vietnamese are wait-... ing for the other... South-East Asian... nations to behave... that is, to sever all... military ties with the... U.S. and approach... Hanoi for bilateral... relations...

But there are signs that ten-... sions are easing as the Cam-... bodians open up. Recently the... Vietnamese signed an aviation... agreement with Phnom Penh... and road traffic to and from... Kampuchea is slowly being re-... established. The Vietnamese are... eager to establish relations with... Phnom Penh, but the initiative... will have to come from Kam-... puchea. The Vietnamese particu-... larly want to discuss the Mekong... River scheme, blocked until now... by the Khmer Rouge rulers.

You've got a good Accountant, a good Solicitor and your Stockbroker's a personal friend.

So why do you need us?

Perhaps you don't. And if that's the case, we would be the first to tell you. But there are many people who, till quite recently, felt comfortably off and financially secure, yet today are worrying about their investments and their future. Whether your personal assets are quoted securities, a small business or property, now is the time to review your situation. So why can't your accountant or stockbroker do this for you? Well of course he can, but we are sure that he would be the first to admit that he can only advise you in his own field. In addition to this sound specialised advice, what is needed is an objective, overall review by a number of experts. This is the 'in-house' service that Antony Gibbs offers you. We can call on the expertise of accountants, investment analysts, legal advisers and insurance experts. Together, they will draw up a Personal Financial Plan which will tell you how to reduce your tax liability, detail how you can make your money work harder and finally, help you to secure the future for you and your family. If you would like to discuss our service further, please contact us on 01-588 4111. Ext. 3240. Antony Gibbs Financial Services Ltd. FINSBURY CIRCUS HOUSE, 4-10 BLOMFIELD STREET, LONDON, EC2M 7BU.

WORLD TRADE NEWS

Japan's productivity offsets decline in competitiveness

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, March 29

JAPAN'S INTERNATIONAL competitiveness as measured by a combination of exchange rate adjustments and wholesale price increases has declined in relation to all other major industrial nations since the Smithsonian currency settlement of January 1972. Mr. Eme Yamashita, former Japanese vice-minister for International Trade and Industry, claimed today in a speech to European businessmen that Japan's productivity has risen 70 per cent, giving a coefficient of 1.70 per cent over the four-and-a-half year period. Similar calculations for the U.S., Britain, France and West Germany show declines of 39 per cent, 20 per cent, (taking into account the sharp fall in the pound), 33 per cent, and 77 per cent (the latter figure reflecting the high appreciation of the D-mark).

Mr. Yamashita said that Japan's productivity has risen 70 per cent, giving a coefficient of 1.70 per cent over the four-and-a-half year period. Similar calculations for the U.S., Britain, France and West Germany show declines of 39 per cent, 20 per cent, (taking into account the sharp fall in the pound), 33 per cent, and 77 per cent (the latter figure reflecting the high appreciation of the D-mark).

reducing the share of imported raw materials (other than oil). He made the point that some Japanese industries had suffered a historical loss of competitiveness since the oil crisis (though not those involved in exporting to Europe). Higher power and utility costs meant that it was no longer economic to smelt aluminium and non-ferrous metals in Japan. The high cost of imported naphtha was eating into the competitive strength of the Japanese petrochemical industry and making it hard for the industry to export resin to Asia.

Mr. Yamashita was Japan's Permanent Vice-Minister of International Trade and Industry during 1973 and 1974. He is currently secretary general of a private Japanese research organisation, the World Economy Research Group. Later this year he is due to take up a post as a senior advisor to Mitsui Bussan, Japan's second largest general trading company.

Mr. Yamashita referred to fears that Japanese exports to Europe would be triple or quadruple in the next few years creating a largely one-sided trade and driving major European industries out of business. Such a danger, Mr. Yamashita said, would have to be countered by the "horizontalisation" of Japan-Europe trade, meaning that the two sides would increasingly come to exchange the same kinds of goods with one another including a wide range of capital goods and manufactured consumer goods. Japan would have to find new markets in Europe for more manufactured goods by

Saudis confirm Philips's bid of \$6.7bn.

By Richard Johns

PHILIPS'S price for carrying out Saudi Arabia's nationwide switching project was 24bn. Saudi riyals (\$3,750m), compared with one of \$2.6bn estimated by the Ministry of Posts, Telegraphs and Telephones. The final figure set by the Dutch company after a year's direct negotiations was made public by Mr. Alawi Karyal, Minister of PTT in an interview with the newspaper Al Medina a few days ago. He confirmed that the company was included among those invited to bid for the project under a limited tender.

Last month the Saudi Government called off the talks with Philips after it had been unable to reconcile the enormous discrepancy between the Ministry's estimate and the company's price. The project would increase the number of telephones operating in the Kingdom from 200,000 to 600,000.

The system wanted by Saudi Arabia is a very modern one involving software programmed electronic control which would give, among other advantages, the ability to locate any malfunctioning from the centre. However, apart from the advanced technology, the component in total costs was set at \$73,000 per line against the present \$26,500, which would be covered by increased exports of manufactured goods.

This is the first steel price rise announced by a Japanese producer this year and industry sources said other producers are likely to follow suit soon.

HOME NEWS

Post Office calls for once-a-day deliveries

BY KEVIN DONE, INDUSTRIAL STAFF

LETTER DELIVERIES would be cut to once a day and the parcels service would be greatly reduced if the main proposals of the Post Office's five-year postal business plan are implemented.

Details of such plans are usually kept secret, but the 1976 postal business plan has been made available to the Post Office Review Committee as part of the mass of evidence provided by the corporation.

The committee, under the chairmanship of Mr. Charles Carter, vice-chancellor of Lancaster University, has been studying the total structure and performance of the Post Office for nearly 18 months. It is now putting the finishing touches to a report, which is expected to be presented to the Department of Industry shortly.

In its evidence, the Post Office points the way to how a viable postal service can be built for the foreseeable future.

Even optimistic assumptions that letter services can be made viable until at least 1980, the corporation argues, despite two key trends which go against the postal business—it is labour-intensive, and its competitors in personal communications are in a rapid advance.

The postal service's high labour content could mean that there are dramatic price increases on the way unless there is an early fall in the Retail Price Index. The business plan estimates that prices can be expected to rise a little faster than the RPI, on the assumption that real wages will move up faster than the index.

This is despite the fact that the round of increases now before the Price Commission are, in principle, the lowest in a long time. The corporation expects a 9 per cent increase following an 18-month period of price stability in which the RPI has risen by some 25 per cent.

The Post Office is puzzled that its letter traffic has continued to fall in the last 18 months, despite the absence of price increases. But it takes consolation from the fact that letter traffic withstood a doubling of price in 1975 with a fall in volume of less than 10 per cent, and sees this as indicating the underlying strength of demand for postal services.

Single deliveries extending into the afternoon are recommended in a section of Post Office evidence, which says this would be the cheapest way of providing the service.

Such a system would achieve savings of between £3m and £20m. The number of staff needed for delivery could be reduced by about 10,000.

The introduction of single deliveries has been accepted, claims the Post Office, which says the practice already exists in a number of countries.

aim for profitability as the only policy to follow over the next three years; if it were not to succeed because of arbitrary price restraint—the alternatives would be withdrawal or a subsidy specifically for parcels.

Unit costs must be contained by taking the greatest possible advantage of each productivity gain, as can be achieved in the best postal services. The plan to equip 80 offices with code-sort equipment will require a further capital expenditure of about £50m, plus £25m for additional building space needed for equipment at 1975 prices. A detailed financial appraisal carried out in 1973 gave a most likely outcome of savings, in net present value terms, of £30m, says the Post Office evidence.

The corporation expects its letter monopoly to come under increasing attack, but says that it would be impossible to provide a relatively cheap country-wide service without it.

Despite declining traffic it predicts that there will be small growth in some segments of the business, which will be isolated and developed. It seems willing to depart from national pricing standards to allow more local discretion.

Positive marketing is accepted as a way of seeking to provide new services to maximise the use of direct mail (advertising) and the "unaddressed message" market as two of the main users of the parcel service. The corporation aims to bring the service into profit within three years by increasing prices and reducing costs. It appears willing to accept that the price-increases will lead to a considerable loss of traffic.

It is clearly concerned that the intervention of the Price Commission could hinder the return to profitability and says that the Government appears to lack any "clear policy for prices or postal financing."

The Post Office regards its 1981 plan as being sought.

Burden

The parcels service has lost consistently over the past 20 years, and the loss puts "an unreasonable burden on letter post users," says the corporation. Those who benefit from the cross-subsidisation are, in the main, the companies who are the main users of the parcel service. The corporation aims to bring the service into profit within three years by increasing prices and reducing costs. It appears willing to accept that the price-increases will lead to a considerable loss of traffic.

It is clearly concerned that the intervention of the Price Commission could hinder the return to profitability and says that the Government appears to lack any "clear policy for prices or postal financing."

The Post Office regards its 1981 plan as being sought.

Miner go on radiat register

By David Fahlock, Science Editor

ABOUT 1,500 men underground mine coal miners—such as hematite and gypsum—are to be included on a national register of workers.

This was announced by Dr. Andrew Mc of the National Radiation Board, "wait for all kinds of radiation."

The radiation re early last year, a lifetime check—whose work could contact with high levels of ionising X-ray workers.

The non-coal exposed to above-normal levels of "daughters," releases of uranium nature the rock.

The radioactive accumulate in part parts of a miner's body and Health and Safety the case of non-coal.

The Board announced experimental pre begun to settle a case of opinion, and Russian say over what constitutes a limit for exposure radiation.

At present Britain's limit of 10 micrograms radiat centimetre, based damage to what a be the most micr ocreases the eyes. The Russians have 1,000 times lower belief that inbreed can damage the br National Radiology Board. The work. 1974-77. Stationery

Sweden consumes, exports more waste paper

FINANCIAL TIMES REPORTER

SWEDISH WASTE paper consumption and exports have reached record levels despite the continued slump in the country's total paper production.

Exports increased by almost 20 per cent last year although total paper production was 10 per cent down on two years before, according to the Swedish Pulp and Paper Association. At the same time, consumption of waste paper as a raw material in the Swedish paper industry was 428,000 tonnes in 1976, 36 per cent up on a year before.

The rise in Sweden's paper industry's use of waste paper reflects in part a law on compulsory waste paper collection by local authorities which became effective in 1975. But it also stems from a lively European market generally in waste paper of the last year. European demand for waste paper, particularly from the U.K. and West Germany,

almost reached the record levels of 1974.

U.K. imports were more than four times the 1975 figure, however, with collection of waste paper in this country falling rapidly.

"This could have been avoided had the Government taken some drastic action," Mr. Gordon Hughes, of the British Waste Paper Association, said. "The real trouble has been that the collection and recycling of waste paper has not got started and the Government offers little positive assistance."

Under the Paper and Board Industry Scheme announced in June, 1976, the Government made £23m available to encourage the paper-and-board and the paper-making machinery manufacturing industries. "Only about 56m of this scheme has actually been taken up," according to Mr. Hughes.

One of the traditional and largest contributors to the collection of waste paper has been the electrical industry. A Waste Management Council report last August, which made recommendations to local authorities on operating waste paper collection more efficiently. But to what extent these are being taken up is still uncertain.

The report also urged the Government to set up working groups to devise a standard accounting procedure for local authorities to realistically assess the costs and benefits of any scheme to collect waste paper. These were set up in September, but says the Environment Department, it is "too early to see how effective they are."

Local authority finance, with the present cutbacks, was probably the biggest deterrent to future policy and any scheme to collect waste paper would involve considerable initial investment, the Department added.

U.K. agricultural mission to China

The first-ever U.K. agricultural engineering mission to China leaves tomorrow for Peking as guests of the China Agricultural Machinery Association, sponsored by the British Agricultural Engineers' Association, in conjunction with the Sino-British Trade Council and the British Overseas Trade Board, the main object of the 10-man mission is to bring to the attention of China the advantages of British technical know-how and the quality of British products.

BP applies for 2p oil rise

By Ray Dattler, Energy Correspondent

BRITISH PETROLEUM and its National Benzole subsidiary have applied for a 2p average price rise on all their oil products.

The move, which follows applications from other companies, could add 2p or 3p a gallon to the retail cost of petrol which is now about 89p a gallon following the Budget changes in fuel tax.

The BP application means that all of the market leaders are now committed to seeking higher prices. Shell U.K. applied for an average 2p a gallon rise on Friday and Esso submitted an application for an increase of between 2p and 3p a gallon on Monday. It is thought that BP submission, if accepted, would lead to a rise of just over 2p a gallon on wholesale prices.

Unlike some in the industry, BP believes that it will be able to pass on the full impact of the rise to the motorist. Several oil executives have expressed doubts about the petrol market's ability to absorb the full impact of the rise although, they claim, companies could have justified an even bigger price rise on the basis of allowable costs.

Doubts were increased last night following the Chancellor's decision to raise fuel tax by 5.5p a gallon.

It is felt in the industry that the products spot market in Rotterdam could harden further in anticipation of rising summer demand.

Chrysler U.K. wins £2.5m. van order

BY TERRY DODSWORTH

ANOTHER BOOST for Chrysler new sales will help revive the U.K.'s van business came yesterday with a £2.5m. order from the Post Office for 1,158 Spacevans, which the order follows only weeks after Chrysler won £3m. worth of similar business from the Post office. The company has been forecasting a significant rise in the Dunstable-built vans for nine years and has about 14,000 in service throughout the country.

These two orders together with a third of 2,458, ordered by the Post Office this year, will bring the total number of Chrysler vans to be supplied to 5,600 of the smaller Bedford WA 41 vans. This contract is worth £3m. to Bedford.

Shelter attacks sales of council houses

COUNCIL HOUSE sales are a recipe for increased social segregation, an article in the Shelter magazine, Roof, claims today. The article, by Mr. Alan Murie, a Bristol University research fellow, is one of two attacks on recent housing policy in the latest issue of the journal of the national campaign for the homeless.

Examining the social consequences of the sale of council houses, Mr. Murie says local authorities would be left with the worst housing as better off tenants bought the most desirable homes.

Sales reduced a local authority's ability to meet its tenants' preferences from within its own housing resources. If council housing were not to cater only for the worst off, the principal way in which decent housing could be provided was by increasing the supply of council housing.

A second attack was mounted by Mr. Bob Widdowson, Shelter's research officer, who claims that local authorities were "failing to recognise homelessness as a 'legitimate housing priority'."

Homeless families were being left, often for two or three years, in poor housing conditions in short-life properties," he says.

Press Council team named

LORD BRIGGS, Provost of Worcester College, Oxford, is to head the Press Council appointed by the Commission on Mobs and the Younger Committee on Privacy to select non-Press members of the Press Council. Lord Briggs, 65, succeeds Lord Redcliffe-Maud who has retired after three years in office. Sir David Hunt, a former ambassador to Brazil, has agreed to join the commission, and its third member is Mrs. Marie Patterson, national woman officer of the Transport and General Workers' Union, and a former chairman of the TUC.

Fashion threat to E. German synthetic fibres industry

BY LESLIE COLTIT

EAST EUROPEAN countries are now evidently concerned that heavy investment in recent years in man-made fibres could be jeopardised by shifts in fashion—imported mainly from the West.

The concern appears to have arisen in part from the popularity of jeans—a major influence in the improvement of fortunes of cotton around the world and in the poor performance of the man-made fibres industry. Despite official disapproval jeans look like becoming uniform among young people in the East, as in the West in the past ten years, leading to the Comcon countries newly built fibres plant will be unable to sell their goods on the home market or as exports.

The fears have been expressed by Dr. Hermann Klare, president of the East German Academy of Sciences, who writes in the political and economic weekly DIE Weltbuehne that "it is to be hoped no-one here will hit on the glorious idea of creating a cotton look." This, he says, would be "imitating the folly" of the West which has sacrificed synthetic fibres to make textiles such as blue denim.

His example is chosen for a good reason. East Germany imports growing quantities of finished blue denim clothing from the West after resisting the trend for years. The demand for blue jeans and suits made of denim is enormous in E. Germany, but it is wholly concentrated on the imported products. East Germany produces its own version of blue denim but in a synthetic fibre mix, which shoppers there shun in favour of the Western one in order to cut back on the spending of scarce Western currency for more fashionable clothing, East German textile producers are being encouraged to make a blue denim material that is up to Western standards.

This is where the East German synthetic fibres industry is directly threatened, in the view of Dr. Klare who was head of East Germany's leading synthetic fibres plant built with heavy expenditures of Western currencies. He notes that producing an all-cotton jeans material would mean "having to import the cotton for a great deal of money" and he adds that blue denim with a polyester mix could be "made more durable

and psychologically no less desirable" than the all-cotton material.

Dr. Klare suggests that East Germany, if it is forced to follow the Western shift towards natural fibres, could experience the same over production in its artificial fibres plant. East Germany leads Comcon in consumption of artificial fibres using 6.1 kilograms per capita in 1974 compared with 7.1 kilograms in the U.K. The East German scientist explains that he has nothing against jeans but that he is opposed to slavishly imitating every fashion trend that originates in the West.

Rhys David adds: Among Western fibre producers a number of attempts have been made to secure a share of the jeans market but the very qualities required by young people—shrinkability and poor dye retention—are not easily reproduced in synthetic materials. In the U.S., Levi Strauss, the world's biggest jeans manufacturer, has test-marketed cotton-polyester blend jeans in five major areas but reports suggest that they failed to gain wide consumer acceptance.

Senators back U.S. shoe curbs

WASHINGTON, March 29

IN THE U.S. 43 senators have joined in a letter to President Jimmy Carter urging imposition of import restrictions on shoes. A.F.D. reports. The action is needed to protect 250,000 jobs in the U.S. shoe industry, which has suffered injury "unequaled in severity" as shoe imports have taken over 46 per cent of the domestic market, the said.

Since 1968, the number of U.S. shoe factories has declined from more than 1,000 to 650, with the loss of 700,000 jobs for footwear workers and more than 60,000 for leather goods, Taxis and quota relier has been recommended by the International Trade Commission in a proposal now awaiting Presidential review.

Meanwhile, in Canada an inquiry to determine whether footwear is causing or contributing to serious injury to the production of such footwear in Canada has been announced.

Canada's Minister of Industry, Trade and Commerce, Jean Chretien, has arrived in Washington for trade talks with Carter Administration officials. He indicated that he wanted to discuss Canada's textile and apparel problems.

Agreement in \$1.75m. law suit

By Our City Staff

A \$1.75m. LAW suit brought against LRC International's U.S. subsidiary, Schmid Laboratories, by Laboratories Human Pharm of France, has been dismissed by the Federal Court in New York with the agreement of both parties.

No payments by either side were involved in the settlement which removes all financial liabilities from LRC's subsidiary.

The action, filed by the French company in March, 1976, related to the cancellation of a distribution agreement for certain LRC products. Human Pharm claimed \$750,000 in compensatory damages and \$1m. in punitive damages.

An agreement has been reached between the two companies which allows Human Pharm to distribute certain products manufactured by Schmid under Human Pharm's own trade marks.

Another claim of about £1.1m. has been made against LRC by Cadbury Schweppes in connection with the sale to it by LRC of Courtenay Wines for £2.5m. in 1973. In the case, which is still outstanding, LRC has counter-claimed £350,000 of which it has said £130,000 is not in dispute.

Gatwick-Aberdeen flights to start

By Michael Donne, Aerospace Correspondent

BRITISH AIRWAYS is starting its first domestic trunk flight from Gatwick airport on April 1, with a twice-daily service to Aberdeen.

While BA uses Gatwick regularly for some Channel Isles flights and for its holiday charter operations with British Airports, this will be the first time it has used the airport for regularly scheduled operations on domestic trunk routes.

The new Gatwick-Aberdeen route, on which BA expects to carry 272,000 passengers in the first year, is seen as a natural market, as a result of the growth of the North Sea oil industry.

There are likely to be many scheduled flights by the airline from London's second biggest airport as pressures on Heathrow mount in the year ahead.

The Gatwick-Aberdeen flight will take 1 hour 20 minutes, and connect with BA flights to and from the Orkney and Shetland Isles.

BA will continue to operate its Heathrow Aberdeen flights, which last year grew by 20 per cent.

Cortina windows check

FORD is recalling 23,000 Cortina for checks into faults which could cause the hinges of their opening rear quarter windows to become detached from glass.

U.K. companies in Malta

By Godfrey Grima

VALLETTA, March 29.

THREE BRITISH companies, GEC, Hawker Siddeley and Tube Investments are about to finalise arrangements for the setting up of export orientated factories in Malta to manufacture electronic control panels and electric meters. The three companies will include Libyan and Maltese interests.

This was announced by Mr. Joseph Cassar, chairman of the Malta Development Corporation who, on his return from London over the week-end, revealed that six other leading British companies are interested in starting up manufacturing on the island.

Japan and S. Africa in brown coal refining deal

SASOLBURG, March 29

Mr. de Villiers said SASOL has for some years been experimenting with a process known as the solvent refined coal (SRC) process by which low-grade coal is refined by use of a solvent, in varying circumstances a product known as SRC is obtained which can be used either as a pollution-free fuel or can be further processed to produce diesel or petrol.

Mr. de Villiers said SASOL believes it will be some eight to ten years before SRC can be applied to the commercial production of oil from coal. Reuters.

Britain e more anti

more pa SALES OF post have been growing and have continued to ing to a sur yesterday. by Annual consum half a pound a h 71 lb in 1976, an predicts consum by 1980.

There has been use in such out hospitals, prison dinux rooms. B increase has promotion of c dnet in sperm.

The biggest g from a year, su been in the wheaten pasta as spaghetti rings.

SNOW REF

Dept (ms) Dms Dms

Andermatt 41 57
Austria 130 28
Good powder but snow
Courmayeur 250 25
Good powder on slope
Chirensen 150 4
Innsbruck 150 20
Fresh snow on icy slopes
Levico 150 25
Fresh snow on slopes
Ljubljana 150 20
Platz 150 20
Time conditions snow 50
Zernez 45 20
Very wet snow
The above reports representative of the British.

DAVID HANSFORD & COMPANY
Specialist Auctioneers of fine Persian & Oriental
Daily favoured with instructions
AN IMPORTANT PUBLIC AUCTION
following upon the
CLOSING DOWN OF RENOWNED
PERSIAN CARPET DISTRIBUTION CENTRE
ALBERT WHARF
VALUABLE RETAINED ITEMS
A vast collection of very fine, exceptional & rare antique, old & contemporary
PERSIAN & ORIENTAL
Carpets, Rugs, Runners & Weav
MANY RARE & VERY VALUABLE ITEMS
SEVERAL MUSEUM CATEGORY MASTERPIECES
FROM THE 17th TO THE 20th CENTURIES
A RARE & IMPORTANT 18th CENTURY PERSIAN CARPET
This extremely rare and valuable carpet of extraordinary importance of the few classical carpets to have survived in the West. It is a masterpiece of the art of the carpet, the design and the technical skill of the weaver. It is a masterpiece of the art of the carpet, the design and the technical skill of the weaver. It is a masterpiece of the art of the carpet, the design and the technical skill of the weaver.

PUBLIC AUCTION
SATURDAY, 2nd APRIL 1977 AT 11 A.M.
The Carlton Tower, Cadogan Pl.
LONDON S.W.1
DAVID HANSFORD & COMPANY
15 Doughty Street, Doughty Square, London, N.W.1. Tel: 01-477 3121

سكاسون الرقص

JP Morgan & Co

ills for
iveries

U.K. wins
an order

acks sales
houses

We deliver.

Eurocurrency finance: You will find our approach to your needs imaginative and our terms hard to beat. We will give you a prompt yes or no on whatever you require. Cut red tape to a minimum. And make sure documentation isn't a waste of your time.

TEST US: Contact George Barrett, our senior executive in charge of Eurocurrency finance. Tel. London 606 9944, ext. 4210, telex 888401 or write, Midland Bank Limited, International Division, 60 Gracechurch Street, London EC3P 3BN, England.



Midland Bank International  Delivers.

Who is building a new helicopter to advance the offshore search for new oil and gas supplies ?

Who moves the equivalent of the world's population by elevator and escalator every nine days ?

Who sent Viking on its way to Mars and helped guide it to a gentle touchdown ?

Who just won a \$15-million contract to supply gas turbine compressor systems in the North Sea's largest gas field ?

Who supplies jet engines to more than 200 of the world's airlines ?

Who has tripled earnings in the last five years ?

Who builds more jet engines and elevators than anyone else in the world ?

Who just won a U.S. competition for a military helicopter with great potential for European sales ?

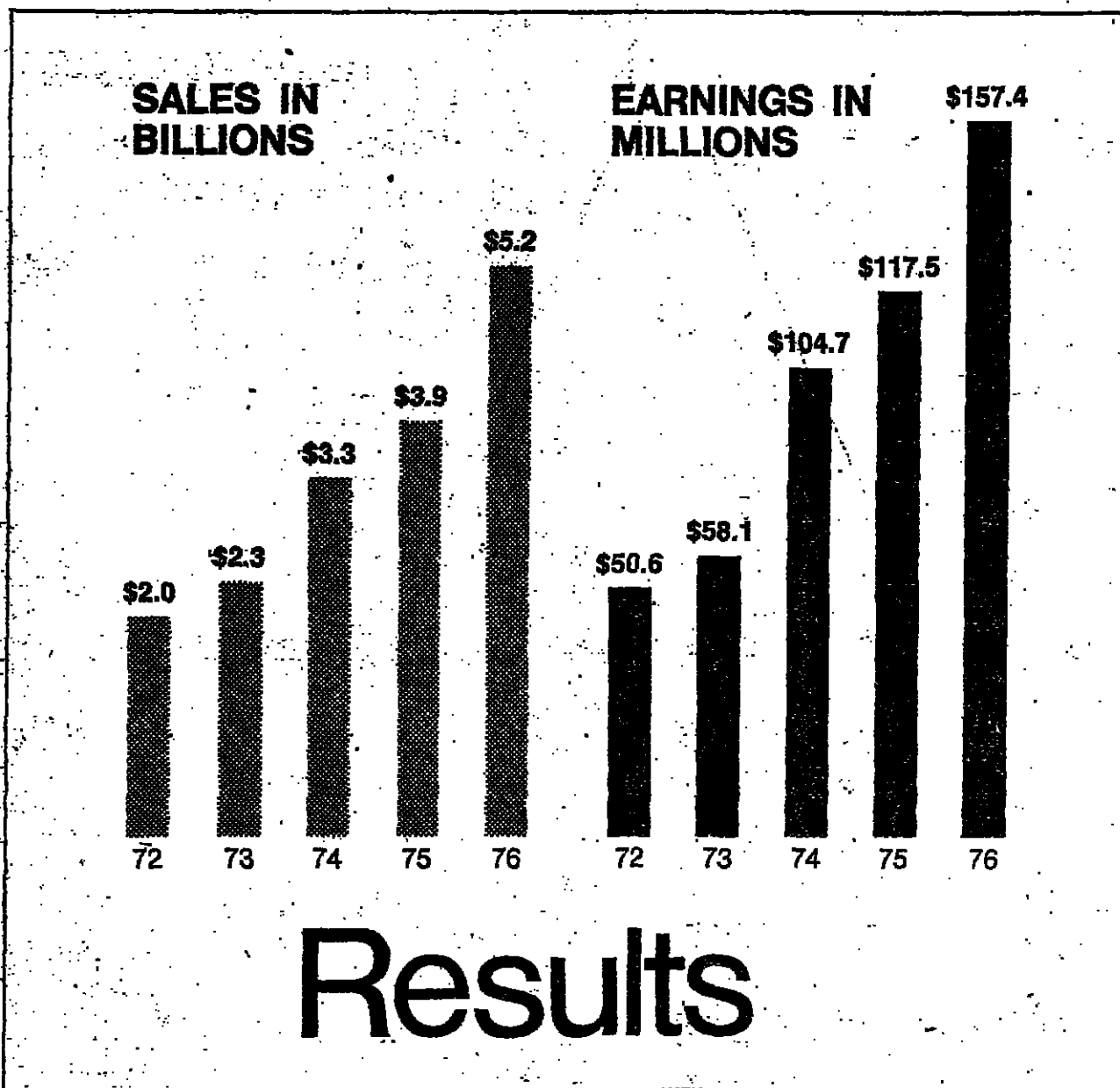
Who spent nearly \$1 million a day for research and development in 1976 ?

Who has increased sales by 155 per cent over the last 5 years ?

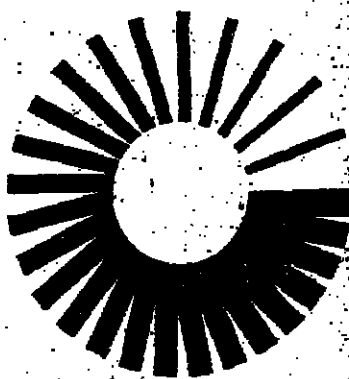
J.P. Morgan

United Technologies ... that's who!

Managing technology and producing high-quality products is our business. And as you can see, business has never been better.



United Technologies common stock is listed on these stock exchanges: New York, London, Frankfurt, Geneva, Basle, Zurich, Brussels, Amsterdam, and Lausanne.



UNITED TECHNOLOGIES

For a copy of our new annual report, write: Investor Relations
United Technologies Corporation
Hartford, Connecticut 06101
U. S. A.

Pratt & Whitney Aircraft Group • Otis Group • Essex Group • Sikorsky Aircraft • Hamilton Standard

Power Systems Division • Norden • Chemical Systems Division • United Technologies Research Center

Who moves the equivalent of the world's population every nine days?

Who supplies jet engines to more than 100 of the world's airlines?

Who just won the competition for military helicopters with great power for Europeans?

Who has raised sales 55 per cent in the last 5 years?

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

WATER POWER

Water mill makes a comeback

ALTERNATIVE technology, which, it says, combines with power derived from the sun and the wind and imposing a minimal burden on the environment from human beings is being discussed world-wide. Water power, because of the comparatively high costs usually associated with installations small enough for a single establishment or a tiny hamlet, has not figured in the discussions to any great extent.

Now, however, a British group in Kendal has brought out a small generating set

DATA PROCESSING

Cuts design costs

GENESYS automated design routines for a growing number of building and civil engineering's basic structures and problems are being made available on the powerful but low-cost Interdata minicomputers which include a series of 16-bit and 32-bit machines.

Bearings are designed for a minimum of 30,000 hours at constant speed.

Four basic sizes of set make up the range and they can be single or twin jet so that there are eight versions in the Hydrex series.

Casing is in cast iron or fabricated mild steel for mounting on concrete. The runner is of cast iron, made from a single casting to the company's patent while the nozzle(s) are in gunmetal.

The generator and control panel can be supplied to any standard low voltage in single or three phase.

More from Gilkes and Gordon, Kendal, Cumbria LA9 7BZ, 06539 20028.

METALWORKING

High speed melting

ELECTRIC induction furnaces are particularly suited to high melting rates as high power densities can be applied. Melting rate depends on the alloy concerned, is between two and four times faster than a fuel fired crucible furnace of comparable size.

Suitability to alloy melting, combined with a rapid melting rate will be demonstrated on the Electricity stand at the Foundry

fine material such as sward and borings can be melted with a minimum of metal loss, an inherent feature of the induction furnace.

A second furnace on the stand is a prototype 30kW tilting resistance furnace (I. E. Ewen) heated by graphite elements and capable of reaching temperatures in excess of 1300 degrees C. This unit can melt 80 kg of copper per hour and is used for small scale melting or dispensing operations. Furnaces of this type have been successfully used for the continuous casting of copper alloys.

More from Electricity Council, 30 Millbank, London SW1P 4RD, 01-854 2383.

longer to wait before resuming work with progress with the Sigma machine, albeit towards a final solution within the Honeywell equipment.

Honeywell has announced a series of options for the users of Xerox Sigma 5, 6, 7 and 8 installations which come within expanded memory and improved central processor and disc storage capabilities. Availability times, depending on the product, run from the end of this year till mid-78.

This is one outcome of the work by Shiel Klee and his 65-man development team, who moved over to Honeywell in July last year when the development centre was set up in Los Angeles.

One of the major jobs accomplished by the team for Xerox

HANDLING

Vacuum pumps

FOR A range of laboratory and industrial applications, a portable vacuum pump has been developed. It is a direct drive, oil sealed, rotary vane unit. Called the Vax, the pump is available in the U.S. by Welch and is available in the U.K. in two versions for 50 Hz operation. The single stage model has a 1 hp thermally-protected motor, and the two stage model is equipped with a 1 hp motor.

One version weighs 16 lb. and is 9 1/2 x 4 x 7 in. high. Pump down is at 21 litres/min. to a blankoff pressure of 25 microns (McLeod gauge). The two stage version weighs 20 lb. and is 13 1/2 x 4 x 7 in. high. It pumps down at 21 litres/min. to a blankoff pressure of 1 micron.

Marketing in the U.K. is by CVC Scientific Products, East-Heath Avenue, Wokingham, Berks, RG11 2PW (0734 787343).

From West Germany comes a range of air-cooled single stage rotary vane vacuum pumps which have a high oil recirculation rate enabling them to carry out fast repetitive pumping from atmospheric pressure down to 0.5 torr. There are ten pumps in each of three categories: high speed, 1000 rpm, 0.5 and 0.5 torr; and with a displacement range from 10 to 630 cu. cm.

Applications are in the chemical, pharmaceutical, electronics, plastics vacuum forming and printing industries, as well as for the vacuum packing

MATERIALS

Attack on clear vinyl market

HIGH GRADE glass-clear vinyl sheeting is an expanding market, and a new product from the U.K. is imported from European companies. Several British competitors have entered the market, and the latest to join the attack is Wallington Weston, a Marley Group company.

Some E.I.M. has been invested, with the company claims have given it the most up-to-date calendaring plant in the U.K. This is a four-roll Krauss Maffei machine from Germany, and the company is now producing a range of vinyl sheeting, called Fromoclear.

Wallington Weston aims for an annual turnover of about £5m. in clear vinyl by next year, which probably represents some 20 per cent of the market. Competition is expected to be in terms of delivery, rather than price.

Applications for the clear sheeting include stationery and graphics, packaging, nursery products, hospital disposables, industrial tapes, and the campizans and leisure trades.

Spirally wound tubing

GALVANISED STEEL tubing made from thin gauge (20, 22 and 24) strip using an external Lockseam four-ply joint, is now available made to order to any transportable length, or in standard 10-foot lengths, from Weathermaker Equipment.

The diameters range from 3 to 48 inches, and the main application for the tubing is as ducting for high or low velocity air conditioning, ventilation systems, warm air distribution, perimeter room heating, etc.

The maker says it can also be used for drainage and irrigation channels, sluttering to form voids in concrete, cable sleeves in prestressed concrete, for electrical conduit and cable protection, and as a weatherproof jacket for thermally insulated pipelines.

Uniform roundness, strength, and rigidity are said to be provided by the seam lock method which is precision pressed to form a smooth internal flange. The usual range of pipe fittings is available, and if extra strength is required the tube wall can be corrugated.

For use in concrete where paraffin rusting can improve adhesion, the tube can be supplied in black steel, or can also be made in aluminium. The maker is at Abbeylead Road, Wembley, Middlesex, HA0 1PR (01-828 7721).

ELECTRONICS

Filipp for laser diode

RELATIVELY new type of semiconductor laser diode emitting "double heterostructure" light is now in production at ITR's CP-6 which will run on Honeywell's large machines.

For Sigma 8's, meanwhile, a solid-state memory sub-system is being offered as an alternative to Sigma core with capacities up to 512 k-words. For Sigma 7, there is a similar memory sub-system with up to 100 k-words of capacity and a dual processor.

There is an enhancement for the Sigma 5 in the form of virtual memory with a memory management unit and an option of 32K to 128K words of core.

For all models there is a removable disc system.

INSTRUMENTS

Assesses gas quality

ONLINE analysis of synthetic natural gas to give accurate figures for energy content and specific gravity can be performed with a computer managed chromatographic analyser put on the market by Electronic Associates.

The unit is particularly suitable for unattended operation at synthetic gas plants, liquid gas terminals and other facilities, where gas energy content measurements are critical.

Tests already carried out by a major producer have shown that the unit, called the FACE 250, offers an energy content accuracy of 0.5 Btu/cubic foot at 0.01% (0.032, 0.001).

The 6-inch pump, fitted with a 73 bhp engine, operates at a maximum head of 250 feet and the 3-inch model, with a 44 bhp engine, reaches 350 feet. The first is skid mounted and the second is on a four-wheel chassis with swivelling front axle and drawbar.

Because the pumps are fitted with a bearing pedestal for the drive, a variety of prime movers can be used. This also permits interchangeability with the contractor's own engine on site if required.

Maximum suction lift is 80 feet, and the pumps incorporate a vacuum pressure seal with a wear indicator showing when the packing needs replacing. The pumps can handle a high proportion of abrasive solids, are about half the size and weight of comparable performance pumps.

Freight Storage & Dist

NOT JUST BRIC MORTAR-SERV

We have more than 650,000 sq. ft. of cold, chilled and covered storage space - we stand by the Apollo Pledge - customer service guarantee. Write for details.

Freight Storage Control & Distribution
W/way Services Counts
APOLLO-FREIGHT LTD.
10 Bennett Road, Brentford, Essex
Telephone: 071-852444
Telex: 955472

NOTICE OF REDEMPTION

to the Holders of

Depotures Payable in American Currency of the Issue Designated

Sandvik Aktiebolag

9% Sinking Fund Debentures Due April 15, 1986

Final Redemption of US Doll 1,500,000.

PUBLIC NOTICE IS HEREBY GIVEN that Sandvik Aktiebolag intends to redem the 9% Sinking Fund Debentures, the following Debentures mentioned hereinafter, amounting to 100% of the principal amount of the Debentures, on April 15, 1986, at the office of the Registrar, at the following addresses:

IMI mean than m
Building products
Fluid power
Genie
Zip fast
Refined and two

RELATIVELY new type of semiconductor laser diode emitting "double heterostructure" light is now in production at ITR's CP-6 which will run on Honeywell's large machines.

Applications are expected in optical data transmission, infrared illumination, intruder detection and safety trip applications. More from ITR Company, P.O. Box 100, Paimpton, Devon, TQ4 7BE (0803 550762).

Assesses gas quality
ONLINE analysis of synthetic natural gas to give accurate figures for energy content and specific gravity can be performed with a computer managed chromatographic analyser put on the market by Electronic Associates.

Attack on clear vinyl market
HIGH GRADE glass-clear vinyl sheeting is an expanding market, and a new product from the U.K. is imported from European companies.

Freight Storage & Dist
NOT JUST BRIC MORTAR-SERV
We have more than 650,000 sq. ft. of cold, chilled and covered storage space - we stand by the Apollo Pledge - customer service guarantee. Write for details.

NOTICE OF REDEMPTION
to the Holders of
Depotures Payable in American Currency of the Issue Designated
Sandvik Aktiebolag
9% Sinking Fund Debentures Due April 15, 1986
Final Redemption of US Doll 1,500,000.

Applications for the clear sheeting include stationery and graphics, packaging, nursery products, hospital disposables, industrial tapes, and the campizans and leisure trades.

Spirally wound tubing
GALVANISED STEEL tubing made from thin gauge (20, 22 and 24) strip using an external Lockseam four-ply joint, is now available made to order to any transportable length, or in standard 10-foot lengths, from Weathermaker Equipment.

Freight Storage & Dist
NOT JUST BRIC MORTAR-SERV
We have more than 650,000 sq. ft. of cold, chilled and covered storage space - we stand by the Apollo Pledge - customer service guarantee. Write for details.

NOTICE OF REDEMPTION
to the Holders of
Depotures Payable in American Currency of the Issue Designated
Sandvik Aktiebolag
9% Sinking Fund Debentures Due April 15, 1986
Final Redemption of US Doll 1,500,000.

Applications for the clear sheeting include stationery and graphics, packaging, nursery products, hospital disposables, industrial tapes, and the campizans and leisure trades.

Spirally wound tubing
GALVANISED STEEL tubing made from thin gauge (20, 22 and 24) strip using an external Lockseam four-ply joint, is now available made to order to any transportable length, or in standard 10-foot lengths, from Weathermaker Equipment.

Freight Storage & Dist
NOT JUST BRIC MORTAR-SERV
We have more than 650,000 sq. ft. of cold, chilled and covered storage space - we stand by the Apollo Pledge - customer service guarantee. Write for details.

NOTICE OF REDEMPTION
to the Holders of
Depotures Payable in American Currency of the Issue Designated
Sandvik Aktiebolag
9% Sinking Fund Debentures Due April 15, 1986
Final Redemption of US Doll 1,500,000.

Applications for the clear sheeting include stationery and graphics, packaging, nursery products, hospital disposables, industrial tapes, and the campizans and leisure trades.

Spirally wound tubing
GALVANISED STEEL tubing made from thin gauge (20, 22 and 24) strip using an external Lockseam four-ply joint, is now available made to order to any transportable length, or in standard 10-foot lengths, from Weathermaker Equipment.

Freight Storage & Dist
NOT JUST BRIC MORTAR-SERV
We have more than 650,000 sq. ft. of cold, chilled and covered storage space - we stand by the Apollo Pledge - customer service guarantee. Write for details.

NOTICE OF REDEMPTION
to the Holders of
Depotures Payable in American Currency of the Issue Designated
Sandvik Aktiebolag
9% Sinking Fund Debentures Due April 15, 1986
Final Redemption of US Doll 1,500,000.

Notice of Redemption

Rockwell International Corporation

(formerly North American Rockwell Overseas Corporation)
7 1/2% Guaranteed Notes Due 1979

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of May 1, 1977 under which the above described Notes were issued, First National City Bank, New York City, N.Y., as Fiscal Agent, has drawn by lot for redemption on May 1, 1977 through the operation of the sinking fund provided for in the said Fiscal Agency Agreement, \$5,750,000 principal amount of Notes of the said issue of the following distinctive numbers:

COUPON NOTES OF \$1,000. PRINCIPAL AMOUNT OUTSTANDING	
1	345 1121 1768 2496 3019 3564 4191 4770 5439 6093 6822 7529 8268 9093 9900 10705 11507 12302 13095 13888 14681 15474 16267 17060 17853 18646 19439 20232 21025 21818 22611 23404 24197 24990 25783 26576 27369 28162 28955 29748 30541 31334 32127 32920 33713 34506 35299 36092 36885 37678 38471 39264 40057 40850 41643 42436 43229 44022 44815 45608 46401 47194 47987 48780 49573 50366 51159 51952 52745 53538 54331 55124 55917 56710 57503 58296 59089 59882 60675 61468 62261 63054 63847 64640 65433 66226 67019 67812 68605 69398 70191 70984 71777 72570 73363 74156 74949 75742 76535 77328 78121 78914 79707 80500 81293 82086 82879 83672 84465 85258 86051 86844 87637 88430 89223 89999 90792 91585 92378 93171 93964 94757 95550 96343 97136 97929 98722 99515 100000
10001	100001 100002 100003 100004 100005 100006 100007 100008 100009 100010 100011 100012 100013 100014 100015 100016 100017 100018 100019 100020 100021 100022 100023 100024 100025 100026 100027 100028 100029 100030 100031 100032 100033 100034 100035 100036 100037 100038 100039 100040 100041 100042 100043 100044 100045 100046 100047 100048 100049 100050 100051 100052 100053 100054 100055 100056 100057 100058 100059 100060 100061 100062 100063 100064 100065 100066 100067 100068 100069 100070 100071 100072 100073 100074 100075 100076 100077 100078 100079 100080 100081 100082 100083 100084 100085 100086 100087 100088 100089 100090 100091 100092 100093 100094 100095 100096 100097 100098 100099 100100

The Notes specified above, are to be redeemed for the said sinking fund at the W.C.G. Agency Services of Citibank, N.A., Fiscal Agent, 111 Wall Street, 2nd Fl., New York, New York 10038 or at the main offices of Citibank in Amsterdam, Frankfurt/Main, London (Citibank House), Milan and Paris or Citibank (Belgium) S.A. or Kredietbank S.A., Luxembourg, in Luxembourg, as the Company's paying agents, and will become due and payable on May 1, 1977 at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Notes will cease to accrue.

The said Notes should be presented and surrendered at the offices set forth in the preceding paragraph on, the said date with all interest coupons maturing subsequent to the redemption date. Coupons Due May 1, 1977 should be detached and presented for payment in the usual manner.

For ROCKWELL INTERNATIONAL CORPORATION
By CITIBANK, N.A.
Fiscal Agent
Dated, March 30, 1977



HOME NEWS

C gives m. aid to inspecting uranium

Is making over £2m. on a shared-risk basis search for new sources in an extension of a scheme first...

Ramsay writes from Japan is about to send of irradiated nuclear reprocessing plant...

Party owners to post and decorating was by Mr. F. C. Turner...

starts to penetrate and putting causing and rust in metal...

March 15, 1977

Devolution plans of Liberals may come under fire

THE CONTROVERSIAL devolution proposals from the Liberals, which are to be put to Mr. Michael Foot...

British federation proposed by Grimond

ENGLAND MUST act as one of taxation — with only three country in a federal system of government...

Industry 'has duty to youth' COMPANIES should recognise that they have a responsibility for developing the potential of young people...

Education debates completed

By Michael Dixon, Education Correspondent THE GOVERNMENT had learned a lot from its eight regional conferences on educational reform...

Southern runs extra trains for Easter

SOUTHERN REGION will run 30 extra main line trains to the south coast, West Country and Channel ports for Easter travellers...

Train services over the holiday week-end will be: Thursday, April 7 — Weekday service with extras...

Notice of Redemption to the Holders of FUJI PHOTO FILM CO., LTD. (Fuji Shashin Film Kabushiki Kaisha) 6% Convertible Sinking Fund Debentures due October 20, 1985

To-day's Events

GENERAL First meeting of Government and Liberal Party joint consultative committee. Stock Exchange members vote on £100m computerised settlement scheme.

Banque Nationale de Paris Limited Steady expansion maintained in 1976 Extracts from the Statement by the Chairman, Sir Patrick Reilly, F.C.I., F.R.S.E. In a year of manifold uncertainties in the world-wide economic situation...

RUSTENBURG PLATINUM HOLDINGS LIMITED (Incorporated in the Republic of South Africa) DECLARATION OF DIVIDEND AND INTERIM REPORT Financial results: On-mine capital expenditure for the six months to 28th February, 1977 amounting to R13.3M has resulted in the comparatively low provision for taxation and State's share of profits...

ELECTRONICS Phillip for Laser diode INSTRUMENTS ACCESSORIES Quality

Carloliol Investment Trust Limited

The 70th Annual General Meeting will be held on 22 April 1977. The following is an abbreviated statement by the Chairman, Mr. D. A. Pease:—

The underlying principle on which the Trust's investment policy has been based is that of spreading the risk between different currencies and industries. The final results have shown some diminution of asset value per share but a substantial increase in revenue and in dividend distribution.

The total income of the company reached a record figure with an increase of 22% on the previous year.

The total dividend has been increased by 20% to 3.30p per share (1976 2.75p per share). A second interim in lieu of final will be paid on the 4th April, 1977. This is the eighth successive annual increase in distribution.

The British share market is buoyant and currently stands at a three and a half year peak. This performance would seem to ignore current industrial and political problems and anticipates improved trade and financial conditions in the U.K., occasioned by strength in the balance of payments through improved terms of trade and oil revenues.

I feel that in spite of this country's much publicised difficulties the outlook for ordinary shares is improving. Earnings multiples are still historically low and inflation at the current level of about 20% gives little protection to any investment not linked to the real values which equities provide over the longer term.

SUMMARY OF RESULTS

	31.1.77	31.1.76
Total Net Assets	£17,307,100	£18,710,896
Net Asset Value per Ordinary Share	137p	153p
Net Revenue	£370,015	£301,612
Per Ordinary Share		
Earnings	3.63p	2.94p
Dividend	3.30p	2.75p

Copies of the Annual Report available from the Secretary at Milburn House, Newcastle upon Tyne, NE1 1LU. Telephone: 0632-28993.

The Tyneside Investment Trust Limited

The 70th Annual General Meeting will be held on 22 April 1977. The following is an extract from the statement by the Chairman, Mr. R. H. Dickinson:—

During the year under review our gross income increased by 23%, and the Board have declared a second interim dividend, in lieu of final, of 2.30p per share, making 3.30p for the year — an increase of 20% over 1976.

The net asset value per share fell by approximately 10%, during the year compared with a fall in the FT Ordinary Share Index of 6%, and is mainly attributable to a fall in the Dollar Premium representing 15p per share. Since the year end the premium has recovered from 29% on \$1.71 to 40%.

Since the Government's successful application to the International Monetary Fund for a large international loan, the sterling exchange rate has stabilised and if Government expenditure can be brought under control and the rate of inflation further reduced, the outlook for the United Kingdom economy, with increasing benefits from North Sea oil over the next few years, is more encouraging than it has been for some time.

However, recent events in the motor industry highlight the difficulties, resulting in the main from erosion of pay differentials, which the Government faces in devising a third stage of its Incomes Policy.

Until the outlook for the U.K. economy and the sterling exchange rate is a good deal clearer, we do not propose to reduce the international spread of the Company's portfolio, which has stood us in such good stead over recent years.

SUMMARY OF RESULTS

	31.1.77	31.1.76
Total Net Assets	£9,872,053	£10,779,638
Net Asset Value per Ordinary Share	131p	147p
Net Revenue	£223,026	£179,337
Per Ordinary Share		
Earnings	3.49p	2.79p
Dividends	3.30p	2.75p

Copies of the Annual Report available from the Secretary at Milburn House, Newcastle upon Tyne, NE1 1LU. Telephone: 0632-28993.

LABOUR NEWS

Pay move threatens unity of AUEW

BY ALAN PIKE, LABOUR STAFF

THE FRAGILE unity of the four sections of the Amalgamated Union of Engineering Workers will be stretched to possible breaking point by a decision yesterday that the dominant engineering section should again go its own way on pay policy.

At last year's AUEW conference there were bitter scenes on the platform between Mr. Hugh Scanlon, president and Mr. John Baldwin, leader of the construction section, over the way in which the engineering section national committee had already decided to support phase two of the pay policy.

Because of the size of the engineering section this effectively forced the policy on the whole union.

Despite the acrimony which this caused, the engineering section executive yesterday decided to recommend that pay

motions should again be debated by its national committee when it meets at Eastbourne in May rather than await the conference of the full union the following week.

Mr. Baldwin has already made it clear that he will voice his strong disapproval about remaining in the AUEW amalgamation when his own construction section conference meets later in May and yesterday's decision will strengthen his hand.

There is also likely to be criticism of the move at the conferences of the other sections — foundry and staff — which meet before the national committee.

Engineering workers are unhappy about the effects of incomes policy on pay differentials and the AUEW can be expected to take a tough line towards any third phase of policy wherever the decision is reached.

Jack Jones accuses Mail of 'lies campaign'

BY OUR LABOUR STAFF

Mr. Jack Jones, general secretary of the Transport and General Workers' Union, yesterday accused the Daily Mail of promoting a "Goebbels-type" lie campaign against trade union leaders.

Yesterday the newspaper accused Mr. Jones of using elderly patients as pawns in the Surrey hospitals dispute. The dispute, which affects five hospitals in the Epsom area, is over new working rotas and the dismissal of 32 staff for alleged breach of contract.

The Mail claimed patients were shivering in cold wards because blocking pickets had turned back oil supplies for the central heating. Mr. Jones said every possible effort was being made to ease the patients' discomfort.

He accused the newspaper of attacking the union instead of the management which, he said, had "unfairly discharged 32 Spanish workers who were doing jobs in Britain that other people would not do."

Yesterday afternoon talks began between the Surrey Area Health Authority and the TGWU in an effort to resolve the nine-day-old dispute.

Talks between the Surrey Area Health Authority and the TGWU ended last night with both parties agreeing to meet again to-day with help from the Advisory, Conciliation and Arbitration Service. Mr. Mick Martin, a TGWU national officer, said there had been considerable progress at the meeting.

BSC meets to-day on Port Talbot closure

By David Churchill, Labour Staff

MANAGEMENT at British Steel Corporation's Port Talbot works in South Wales meets to-day to decide whether or not to carry out the threat to close the plant because of a strike by 520 electricians.

This follows the electricians' decision last night to stay on strike in spite of their union's executive instruction to return to work. The strikers' members of the Electrical and Plumbing Trades Union walked out last week over a claim for £10 rises to restore pay differentials with other skilled workers.

BSC had originally threatened to shut the plant down yesterday, laying off about 13,000 workers, but agreed to suspend the decision pending last night's meeting. But a spokesman said last night that lay-offs would be decided by management to-day.

After last night's meeting, Mr. Wyn Bevan, EPTU works convenor, said that the meeting had voted by 400 to 65 to throw out the union's recommendation to return to work while negotiating a pay rise for a small number of men working on new plant. "We want more money for all the men," he said.

The Port Talbot plant, which the Government recently decided to undergo a major development programme, has a capacity of about 60,000 tonnes a week although it is presently producing below this level.

Speke plant hit

The tyre component plant at Dunlop's Speke, Liverpool, rubber factory was at a standstill yesterday with 1,300 men on three shifts laid off. Some 120 process workers are staging an unofficial strike, claiming pay for a meeting in working hours, and are not due to meet again until Friday.

Pontin's seeks injunction

The high court is to decide to-day whether to grant an injunction, ordering 85 strikers in the Pontin holiday camp in Prestatyn, North Wales, to end their occupation.

Pontin's applied for the injunction yesterday, because the holiday season begins at Easter.

Disbanding move
Delegates representing more than 2m. white collar workers will discuss whether the 50-year-old National Federation of Professional Workers should be disbanded at to-day's annual conference in London.

Bangers and cash
Six hundred workers at a Scottish sausage skin manufacturing company, Devro, are to receive pay rises of £1.40 a week, linked to productivity increases.

The Department of Employment has announced the rise because the productivity scheme was implemented before August, 1975, when the pay policy came into force.

Cammell crisis
Management at Cammell Laird's Birkenhead shipyard, where 40 strikers have been on unofficial strike for five weeks, will decide to-day whether to make mass lay-offs which will virtually shut the yard.

Aircraft congress
A two-day conference on international trade union co-operation in the aerospace industry, which began in London yesterday, discussed ways in which aircraft workers could co-operate on unemployment in the industry.

The conference, called by International Metalworkers' Federation, also wants governments to build more commercial aircraft and fewer military aircraft.

Refinery protest
A mass meeting of 2,000 Tate and Lyle workers at its Liverpool refinery yesterday declared their total opposition to the company's proposed rationalisation plan which could lead to the loss of over 1,500 jobs in the next four years.

Threat to Singer's
Singer's, Croydon, sewing-machine factory could be forced to lay off most of its 5,000 workers unless negotiations in Glasgow over a bonus dispute, which has already led to 700 lay-offs, succeed to-day.

APPOINTMENTS

Lloyds Bank executive posts

Mr. George Williams has been appointed to the main Board of LLOYDS BANK from April 1 and will also succeed Mr. W. F. Cartwright as chairman of the South Wales Regional Board. Mr. Williams, who has been a regional director since 1972, is chairman of Christie-Tyler.

Mr. E. V. Nyrva is to become managing director and chief executive of the mining technical services and process plant design company, SELTRUST ENGINEERING, a member of the Selection Trust group, from April 1. Mr. R. V. Rumble, who relinquishes the position of chief executive after reaching normal retirement age, continues as chairman, in a non-executive capacity. Mr. T. A. Wells, at present general manager, becomes deputy chairman.

HOUSE REED SHAW LONDON, a member of the Stenhouse Reed Shaw group. Each will have regional responsibilities. Mr. K. Davis, Mr. D. Potter, Mr. W. M. Jamieson and Mr. M. Wright have been appointed local directors with branch responsibilities.

BAT INDUSTRIES has made the following appointments from April 1: In the retail division Mr. P. W. Longland becomes chairman in place of Mr. P. Macadam who leaves the divisional Board. Mr. G. L. Dennis will be a divisional director. At the paper division Mr. P. J. Ricketts is to be a divisional director. Mr. R. G. Baker is to be secretary of the company in place of Mr. Ricketts.

Mr. N. J. Smith, at present a manager in charge of business development in the corporate finance department of Baring Brothers and Co., has been appointed to the newly-created post of industrial director with the Department of Energy's OFFSHORE SUPPLIES OFFICE from April 4, 1977. The creation of this

new post results from organisational changes within the OSO. Mr. Alan Blackshaw, who was deputy director-general, took up the post of director-general on January 1 in succession to Mr. Peter Gibson. Mr. Smith will be succeeded from Barings to the OSO for a two-year period.

Mr. Andrian Chryssolor has been appointed managing director for the U.K. and Ireland of BAUSCH AND LOMB Soflens division. He was formerly with Allergon Canada where he was general manager of Canadian operations.

Mr. Robert M. Bennett, a dock stevedore, has been appointed a non-executive director of MERSEY DOCKS AND HARBOUR COMPANY. He replaces Mr. John F. King, the first worker director to be appointed, who served on the Board for two years.

Mr. David Guna has been appointed to the Board of BUILDING (PUBLISHERS).

Mr. S. J. Wickenden has been appointed purchasing director of JOHN F. RENSHAW AND CO.

Mr. Nigel Bulpitt has been appointed divisional director planning and control of NCR. Mr. Fred Bates replaces Mr. Bulpitt as chief accountant.

Mr. Frank R. Pedler has been appointed chairman of the RELIANCE MUTUAL INSURANCE SOCIETY and its subsidiary, British Life Office. He succeeds the late Mr. F. D. N. Simon.

The SHIRT MANUFACTURERS' FEDERATION has elected the following officers for 1977-78: Mr. David Buck (chairman), Mr. Tom Edge (senior vice-chairman) and Mr. Donald Simpson (junior vice-chairman). Mr. Buck will also be honorary treasurer.

Mr. Anthony Hewitt has been appointed general manager and Mr. Martin Latham, manager, of the newly-formed UNION BANK OF THE MIDDLE EAST, based in Dubai, United Arab Emirates.

Mr. R. M. W. Hammond, Mr. D. A. Christy and Mr. S. S. Whitehead have been appointed executive directors of STEN-

Rand Selection Corporation Limited

(Incorporated in the Republic of South Africa)

US \$30,000,000 6 1/2 per cent. Convertible Loan 1986

NOTICE OF MEETING OF BONDHOLDERS

As announced in the press today agreement has been reached between the boards of Anglo Corporation of South Africa Limited ("Anglo American") and Rand Selection Corporation ("Rand Selection") to place before shareholders of Rand Selection a proposal to merge companies by means of an exchange of two Anglo American shares for each Rand Selection share. In addition Rand Selection has agreed to proceed with a rights issue of 10,562,598 ordinary shares to be issued on the basis of 25 new ordinary shares for every 100 shares held at a price which will be advertised separately. In view of the intended merger between Anglo American and Rand S is proposed to place before bondholders proposals for the amendment of the Trust Deed of the Loan, the effect of which will be to substitute for the existing rights of conversion of the shares of Rand Selection rights of conversion into shares of Anglo American on the same merger terms, subject to the merger being approved by Rand Selection shareholders. The effect will be to enable bondholders to convert their Bonds into Anglo American shares at a rate of Anglo American share (which price will be adjusted under the existing Trust Deed, to reflect issue). In terms of the Trust Deed the rate of exchange to be used for converting Bonds is fixed at US \$1.40 = R1.

As in the case with Rand Selection shares arising from conversion of the existing Bonds Anglo American Exchange Control authorities have given approval for the proceeds of a first sale of Africa of any shares arising from the conversion of the Bonds into Anglo American shares converted into US dollars of such other currency as the South African Reserve Bank may authorise. Rand Selection Trust Company Limited (formerly Rothschild Executor & Trustee Company) is the trustee for the bondholders, and of the opinion that the above-mentioned proposals are in the interests of the bondholders and their consideration. Notice is accordingly hereby given that a meeting of the holders of the Bonds representing \$30,000,000 6 1/2 per cent Convertible Loan 1986 of Rand Selection Corporation Limited will be held at the offices of N. M. Rothschild & Sons Limited, New Court, St. Swinton's Lane, London EC4M 3JF on Monday the 25th day of April 1977 at 14.30 hours for the purpose of considering and, if passing the following resolution which will be proposed as an Extraordinary Resolution, expression is defined in the Trust Deed dated 1st March, 1971 constituting the Loan:—

"That, subject to the proposed merger of Anglo American Corporation of South Africa Limited Selection Corporation Limited becoming effective, this meeting of the holders of the Bonds of the US \$30,000,000 6 1/2 per cent Convertible Loan 1986 of Rand Selection Corporation Limited sanctions any abrogation, modification, compromise or arrangement in respect of the rights of the holders and all modifications of the Trust Deed dated 1st March, 1971 constituting the Loan effected by the execution of the Supplemental Trust Deed, a copy of which has been presented to the meeting and has for the purpose of identification been subscribed by the Chairman, accordingly authorises and requests Rothschild Trust Company Limited, as Trustee, to Rand Selection Corporation Limited in executing the said Supplemental Trust Deed, such amendments (if any) as may be approved by Rothschild Trust Company Limited."

Dated 30th March, 1977.

By order, N. M. Rothschild & Sons Limited, New Court, St. Swinton's Lane, London EC4M 3JF.

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, London.

- NOTES:
1. Bondholders wishing to attend and vote at the meeting must produce to the Chairman their Bonds or a valid Voting Certificate for the Bonds, in respect of which they wish to vote. Bondholders who do not desire to attend in person may deposit either their Bonds or the Voting Certificates issued in respect thereof with N. M. Rothschild & Sons Limited, for production to the Chairman of the meeting at the undermentioned address, at any time prior to the meeting. The voting rights attached to such Bonds or Voting Certificates will be exercised in accordance with any voting instructions given therewith, and in the absence of such instructions the Chairman of the Meeting will vote or abstain at his discretion. Voting Certificates may be obtained from any of the undermentioned paying agents at their offices specified below.
 2. Anglo American Corporation of South Africa Limited has agreed to pay to every paying agent, bank or similar institution with which Bonds are deposited for the purpose of the issue of Voting Certificates a handling fee of US \$2 in respect of each Bond of US \$1,000 nominal value at the meeting. Such payment will be made whether or not the resolution to be proposed at the meeting is duly passed.
 3. Every question at a meeting of Bondholders is decided on a show of hands unless a poll is duly demanded. On a show of hands every person present and entitled to vote has one vote. On a poll every such person has one vote in respect of each \$1,000 nominal amount of Bonds held or represented by Voting Certificates held by him.
 4. An Extraordinary Resolution means a resolution passed at a meeting of Bondholders duly convened and held in accordance with the provisions of the Trust Deed, by a majority consisting of not less than four-fifths of the persons voting thereon in person or by proxy, or if a poll is demanded, then by a majority of not less than three-fourths of the votes cast at such a poll. An Extraordinary Resolution is binding upon all the Bondholders of the Loan meeting or not.
 5. The quorum required for the meeting of the holders of the Bonds or Voting Certificates is two persons present holding together or representing in the aggregate not less than five per cent of the nominal amount of the time being outstanding.
 6. Copies of the proposed Supplemental Trust Deed and the proposed amendments to the Trust Deed of the Loan, together with the proposed amendments to the Trust Deed, are available for inspection at the offices of the undermentioned agents and at 40 Holborn Viaduct, London EC1A 3DF, during usual business hours on any day and on public holidays excepted up to and including the date of the meeting and any adjourned meeting, available at the meeting and any adjourned meeting.

- PAYING AGENTS:
- N. M. Rothschild & Sons Limited, New Court, St. Swinton's Lane, London E.C.4.
 - Pierson, Geldring & Pierson, 206/214 Herengracht, Amsterdam.
 - Hooper Guaranty Trust Company, 22 Wall Street, New York, N.Y. 10015, U.S.A.
 - Deutsche Bank Aktiengesellschaft, 5-11 Jungfernstieg, Rosemarkt, Frankfurt am Main.
 - Banque de Paris et des Pays-Bas, pour le Grand-Duché de Luxembourg, Luxembourg.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

5,000,000 Shares

Union Electric Company

Common Stock
(65 Par Value)

Price \$15.50 per Share

White, Weld & Co.
Incorporated

Bache Halsey Stuart Inc.

Lehman Brothers
Incorporated

Merrill Lynch, Pierce, Fenner & Smith
Incorporated

Blyth Eastman Dillon & Co.
Incorporated

The First Boston Corporation

Dillon, Read & Co.
Incorporated

Drexel Burnham & Co.
Incorporated

Goldman, Sachs & Co.

Hornblower & Weeks-Hemphill
Incorporated

E. F. Hutton & Company Inc.

Kidder, Peabody & Co.
Incorporated

Kulm Loeb
Incorporated

Lazard Frères & Co.

Loeb Rhoades & Co. Inc.

Paine, Webber, Jackson & Co.
Incorporated

Reynolds Securities Inc.

Salomon Brothers

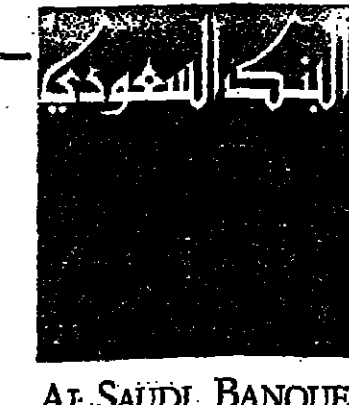
Smith Barney, Harris Upham
Incorporated

Wertheim & Co., Inc.

Dean Witter & Co.
Incorporated

Shearson Hayden Stone

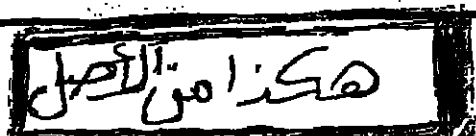
March 23, 1977



AL SAUDI, BANQUE

announces that the 2nd half of its capital was called in in March 1977, thus making its capital of FF 50 million fully paid up.

49/51 Avenue George V, Paris Se - Tel: 720.86.08 - Telex: 630349F



The Management Page

The senior executives of Harp Lager are finding that the startling success of their company in recent years is leaving them little to aim for. Ken Gooding reports.

A consortium under strain

ALL THE evidence points to is estimated that 99 per cent. there having been considerable of licensed retail outlets in the stresses within the Harp Lager U.K. stock Guinness—Harp Board in recent months. And quickly developed into the lager the situation spotlights some of the peculiar problems which share of total lager sales.

It built its own lager which is in turn owned by a consortium of companies. Three major brewing groups have equal shareholdings in Harp. They are Guinness, Courage—the brewing arm of the Imperial Group—and Scottish and Newcastle Breweries. Two other brewers—Greene King and Wolverhampton and Dudley Breweries—each have minority stakes of just under 2 per cent.

Harp's problems apparently stem from its own enormous success and the fact that its chosen market has shown a growth rate which has startled everyone in the beer business. From a mere 2 per cent. share of beer sales in the early 1960s, lager has grown to account for about 25 per cent.

Harp was set up in 1960 when Guinness thought it would be a good idea to take an interest in another type of beer apart from its famous stout. Lager, which superficially is right at the other end of the beer spectrum, seemed an ideal choice. But Guinness has no "cub of its own and to introduce a new beer brand it is necessary to have a solid base provided by "tied" outlets. So brewers which did have their own pubs were invited to join in a consortium arrangement.

Two brands of its own

They included S and N to cover Scotland and the North. Bass Mitchells and Butler for the Midlands, and Courage in the South East. BMB soon dropped out because it merged with Charrington United Breweries in 1967 to form Bass Charrington. As a result it found itself with two lager brands of its own—Tennents for Scotland and Carling Black Label for England and Wales—and it saw no need to support Harp any longer.

Even so, with the 7,200 pubs owned by S and N and Courage to rely on and Guinness's immense strength in the "free" (non-brewer-owned) trade—it

roughly 576m. pints) of total sales a year. Currently there are more than 1,000 brands of "ale" available in the U.K. compared with perhaps 30 to 40 lager brands and this must become better balanced as the demand for lager grows.

There will also be the need to convert more of the industry's existing production capacity to lager.

The problem the consortium members faced was whether they should leave all of their lager business to Harp. This would involve the introduction of more brands by Harp—it added Kronenbourg to its operations last year and has already built sales to around the 500,000 barrel level—and possibly see it building more breweries.

Extra brewing capacity

The partners have decided this shall not be. They have said they will be introducing lager brands on their own account, or at least S&N and Courage have said so, and also that when Harp needs any extra brewing capacity they will take care of it at their breweries.

There probably would have been no public declaration of intent by the partners if it had not been for considerable City speculation in recent months about the Harp consortium's future.

This all started after S&N's chairman, Mr. Peter Balfour, hinted at his annual meeting last August that S&N was to build a new brewery in the North East—and who would build a brewery in the 1970s without incorporating lager capacity?

S&N also helped to stoke up the speculation by introducing its own brand of lager, McEwan's Cavalier, for Scotland only. The City jumped to the conclusion that the Harp consortium was about to break up. After all, it was pointed out, if S&N is to show good growth in beer sales it must generate more deeply south of the Scottish border. But without a lager of its own this would be extremely difficult.

There is nothing to prevent S&N selling Harp in England, of course. And it does

Harp is faced with a completely changed situation. There is now a marked limitation put on the consortium's growth because, rather ironically, it will in future be used in the way a consortium vehicle should be used. When the market is ripe for a minority-interest product which an individual partner would not find worth producing, Harp can produce it for all the partners. But there will be no more major brands launched.

What is going to happen when the partners line up their own lagers in competition with Harp? An indication was given by S and N recently when it said pointedly that its McEwan's was "selling well alongside Harp"—and was "not taking market share from our ales"—which is another way of saying McEwan's is cutting into Harp's sales in Scotland.

Other problems to cope with

All this comes at a time when the Harp team will have plenty of other problems to cope with. It will be difficult enough for lager sales to continue to grow at the previous rate now that percentage of the market. It can also be taken for granted that the "image" of lager will come in for a battering at the hands of the Price Commission when it reports on beer prices this summer. So the Harp management has its hands full without the partner-owners admitting "we are both for you and against you."

The Harp executives are now asked to adapt themselves to a situation where their company has changed from being in a dynamically growing business where the sky was the limit to one where the ultimate destination is quite clearly defined.

They also must accept major competitors having unfettered access to their plans while having no obligation to give details of their own intentions. And there are still a fair number of unanswered questions about the possible future behaviour of the partners.

A case for regeneration on a smaller scale

BY GRAHAM ROSS RUSSELL

IN THE PAST, Government intervention to aid the regeneration of industry has normally amounted to nationalisation, or restructuring in the form of larger groups. Yet there is little evidence that restructuring into larger groups has improved performance, and the general experience of the last 20 years does not inspire confidence that the nation's economy will benefit from a greater concentration of industrial power in a smaller number of companies.

Although now less prevalent, the attitude of investment analysts towards growth in earnings per share must also be taken into account. In these days of "shareholder value" and "shareholder expectations" the head of a company is under constant pressure to monitor and improve performance, and the stock market favours companies which show a steady upward trend in earnings per share. This is not necessarily a bad thing, but it does mean that companies which are not growing are being overlooked.

Since there is little evidence to prove that big company groupings improve performance Government policies should encourage a limitation on size.

The present tax system favours large companies; investment capital for a new or expanding company is more easily within a larger group where the tax shield from new investment can be utilised by profits from existing operations. Furthermore, the effects of the present tax system prejudice the ability of smaller companies to raise capital, for the very high rates of tax on investment income have effectively diminished the role of the private investor—who used to be a major source of financial support for small and growing companies. For the independent entrepreneur who does succeed, the effect of Capital Transfer Tax is that he can no longer hope to pass on control to the next generation, and may therefore prefer to sell out to a large company.

Our financial system also encourages bigness. An increasing proportion of investment capital is in the hands of institutional investors who for administrative reasons seek to limit the number of companies in which they are invested. Thus there tends to be a prejudice against the small company purely on the grounds of its size and consequent poor marketability of its shares, and the effect of this is that a small company, however desirable from the national or social viewpoint, may have to pay more for

BUSINESS PROBLEM

Retirement relief

I own a company running a business from which I propose to retire in the immediate future. After all liabilities have been met there should be a credit balance of £15,000. How can I withdraw the money from the company to myself with minimum tax liability? I shall be 65 in June.

You may well be able to wind up (liquidate) the company without any capital gains tax liability on the cash paid out to you by the liquidator, because of what is generally called retirement relief. The legislation is in section 24 of the Finance Act 1965 (as amended by subsequent Finance Acts) and, in particular, in paragraph 2 of schedule 10 to the Finance Act 1966. Strictly speaking, you are not entitled to this relief, but the Inland Revenue are quite generous in practice.

The company's accountants will no doubt be able to guide you on the procedure for liquidation, and on the application of the concessions announced in an Inland Revenue Press release on August 9 last year.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Republic National Bank of New York
had a loan to deposit ratio of 53.3% at December 31, 1976.

Highlights at 12/31/76

Capital:	\$175,611,601
Deposits:	\$1,578,623,900
Net loans:	\$840,796,690
Total assets:	\$1,945,104,580

Republic New York
 Republic National Bank of New York / Republic New York Corporation, Fifth Avenue at 40th Street, New York, N.Y. 10018
 (212) 221-6000
 New York • London • Nassau
 Member Federal Reserve System / Member Federal Deposit Insurance Corporation
 A subsidiary of Trade Development Bank Holding S.A.

Quality Catering for Commerce & Industry

Catering for large numbers is a job for experts. For many years we at the William Ellis Catering service have made it our special function to arrange, organise and provide catering for companies large and small, industrial and commercial.

Good food, well cooked, well presented, properly served at all times is our promise.

Why not let us take over your catering problems - we welcome your enquiries, without obligation of course.

- We service Canteens, Cafeterias, Luncheon Clubs, Directors and Executive Dining Rooms.
- We advise on design and furnish catering areas.
- We will quote and show sample menus without charge.

The William Ellis Catering Service
Good Food Well Served - Every Time!

To: William S. Ellis Limited, High Street, Camberley, Surrey, GU15 3RD. Tel: 0276 65471

NAME _____ COMPANY _____

ADDRESS _____

Please forward Leaflets

1) Quality Catering for Directors

2) Executive and Staff Cafeterias and Canteen Service.

FT2

The NEW centre for tropical and lightweight clothes

Suits suitable for any occasion; business suits that make journeys a pleasure, leisure suits that take the travail out of travel. Ready to wear from about £59.

AIREY & WHEELER
 TAILORS & SPECIALISTS IN TROPICAL WEAR

129, Regent Street, London W.1.
 Tel: 734 1008

Also: 44, Piccadilly, London W.1.
 8, Sackville St., London W.1.

If you've never owned a Caterpillar Lift Truck how do you know you have the best?

Get the facts from Cat.

If you change to Caterpillar, you can get more production, less downtime and greater value from your lift trucks.

For instance: 16 Caterpillar M-Series electric lift trucks averaged no less than 97.2% availability during 31,699 service hours. That's a fact.

Before you bought Caterpillar, you'd want more proof, of course. But just consider the broad facts that back up our specific claims.

Experience: Caterpillar's own 50 years reputation in machinery building combined with its acquisition of lift truck pioneer, Towmotor, puts a wealth of rugged knowledge behind the current range.

Quality: From pioneering towing trucks in 1919, and introducing one of the first conventional lift trucks in 1933, Caterpillar now manufactures in 11 countries in 19 plants that includes an all new lift truck facility where one out of every 7 men on the production line is devoted solely to quality control.

Engineering: Through heavy investment in research, development and engineering, the company now employs over 4,000 scientists and technicians in research alone to produce trucks that work better, handle easier, last longer.



Product Support: major parts depots, and outlets all computer-fin countries. Caterpillar's network can keep lift in ing at peak performance out the world.

Range: To cover almost conceivable materials handling tasks, Caterpillar offers models from 2,000 to 64 to 27,300 kg with a choice of diesel, petrol, electric or power.

If your trucks don't have same pedigree, they're costing you productivity money.

Put it right by calling Dealer now.

H. Leverton & Co. Ltd.
 Tel: Windsor 68121
 Bowmaker (Plant) Ltd.
 Tel: Cannock 2561
 Caledonian Lift Trunk
 Tel: Airdrie 51111
 McCormick Macnaught Ltd.
 Tel: Belfast 592
 McCormick Macnaught
 Tel: Dublin 752823

White Paper

on Cash Limits

Housing finance brought into scheme

State widens controls over spending programme

THE Government today announced a White Paper on given in Table 2. Cash limits applying to an extension of public sector borrowing requirements under the Regional Water Authority. These have made the Welsh National Water Development Authority contribution to improve central control and the certain expenses of the Bank of England management are included in the financial statement on shipbuilding policy made on February 24, 1977, the "Expenditure Plans" (6721).

1977-78 cash limits for government expenditure by departments and certain bodies are set out in Table 1 and 2, respectively. The current expenditure is not subject to direct control by central government but is placed on financial assistance to local authorities. Provisional figures for the 1976-77 will be published as soon as possible after the Budget Report. It is likely that information on local authority capital expenditure cash blocks will not be available as early as for central government, but figures for these blocks will be published as soon as they are available.

Using investment, slum clearance and expenditure under the Community Land Act are for the first time in limits for capital expenditure.

Cash Limits 1977-78. Cmd. 6767; Stationery Office; 35p.

Local Authority Capital Expenditure Blocks

Department	Description of Block	Cash Limit £m.
ENGLAND		
Department of Education and Science	Value of building projects started in 1977-78 under the aegis of the Department of Education and Science, local authorities, other public bodies and the universities for schools (England), teacher training, further and higher education (England and Wales) and for universities (Great Britain)	147.9
Department of Employment	Capital expenditure on employment services	3.9
Department of the Environment	Borrowing allocations made for capital expenditure within the locally determined sector in England and Wales	233.2
	Capital expenditure by local authorities and new towns on new housebuilding and improvements, acquisition of existing dwellings, leading to private persons for house purchase and improvement (gross), improvement grants to the private sector, slum clearance and other housing investment	2,151.3
	Value of housing associations' projects approved by local authorities and the Housing Corporation	432.0
	Capital expenditure on reclamation of derelict land and coast protection work	28.6
	Gross expenditure on the community land scheme (England)	35.9
	Borrowing by Regional Water Authorities (England)	444.9
Department of Health and Social Security	Value of capital projects for personal social services approved by the Department of Health and Social Security	28.4
Home Office	Capital expenditure on police, probation and community services	48.3
Department of Transport	Key sector loan sanctions for capital expenditure on roads and other transport in England and Wales	91.9
SCOTLAND		
Scottish Office	Capital expenditure on roads and other transport	89.0
	Capital expenditure on other environmental services, museums, galleries, libraries and other arts, youth services, recreation, police, fire, courts and community services	128.3
Scottish Development Department	Capital expenditure by local authorities, new towns, and the Scottish Special Housing Association on new housebuilding and improvements, leading to private persons for house purchase and improvement (gross), improvement grants to the private sector, slum clearance and other housing investment	312.2
	Value of housing associations' projects approved by local authorities and the Housing Corporation	65.6
	Gross expenditure on the community land scheme (Scotland)	3.1
Scottish Education Department	Capital expenditure by local authorities on school buildings, further education and teacher training	60.8
	Capital expenditure on social work	7.5
WALES		
Welsh Office	Capital expenditure by local authorities and new towns on new housebuilding and improvements, acquisition of existing dwellings, leading to private persons for house purchase and improvement (gross), improvement grants to the private sector, slum clearance and other housing investment	111.6
	Value of housing associations' projects approved by the Housing Corporation	16.7
	Value of school building projects started under the aegis of the Welsh Office and local authorities in Wales	5.1
	Value of capital grants for personal social services approved by the Welsh Office	1.8
	Gross expenditure on the community land scheme by the Land Authority for Wales	3.9
	Borrowing by the Welsh National Water Development Authority	38.7

Central Government blocks

Department	Description of Expenditure	Cash Limit £m.	Department	Description of Expenditure	Cash Limit £m.
Ministry of Agriculture, Fisheries and Food	Pay and general administrative expenses	91.3	Ministry of Overseas Development	Pay and general administrative expenses	13.4
Intervention Board for Agricultural Produce	Agricultural and food services and fisheries support	63.1	Parliamentary Commissioner and Health Service Commission	Aid programme	623.1
Bank of England	Pay and general administrative expenses	6.5	Office of Population Censuses and Surveys	Pay and general administrative expenses	0.7
Cabinet Office	Financial management	60.0	Department of Pensions and Consumer Protection	Pay and general administrative expenses	11.1
Central Office of Information	Pay and general administrative expenses	4.5	Privy Council Office	Pay and general administrative expenses	2.4
Charity Commission	Home publicity	7.9	Public Record Office	Food subsidies	43.4
Civil Service Department	Pay and general administrative expenses	12.0	Public Trustee Office	Consumer protection	13.4
Crown Estate Office	Central management of the Civil Service	1.8	Public Works Loan Commission	Pay and general administrative expenses	0.3
HM Customs and Excise	Computers and telecommunications	23.1	Her Majesty's Stationery Office	Pay and general administrative expenses, office machinery	1.5
Ministry of Defence	Civil Service catering	53.2	Department of Trade	Stationery and printing	46.2
Department of Education and Science	Pay and general administrative expenses and capital expenditure	0.8		Pay and general administrative expenses	45.4
	Defence Budget, less forces pensions and certain PSA staff costs	156.5	Department of Transport	Tourism, export promotion, regulation of domestic trade and industry, shipping services, civil aviation	63.8
	Pay and general administrative expenses	6,450.0		Pay and general administrative expenses	93.1
	Current and some capital expenditure on schools, further education, teacher training, youth services and educational research	19.2		Motorways and trunk roads, new bus grants, etc.	467.7
	Current and some capital expenditure on universities, libraries, museums, galleries and the arts	73.1		Certain railways grants and transport research	96.7
	Science Budget—Research Councils	687.1		Transport supplementary grant	281.4
Department of Employment	Pay and general administrative expenses	152.8	Her Majesty's Treasury	Pay and general administrative expenses	19.7
Department of Energy	Manpower Services Commission	503.2	Treasury Solicitor	Pay and general administrative expenses	32.5
	Other employment services	42.4			4.5
	Pay and general administrative expenses	9.2	SCOTLAND		
	Nuclear energy	146.6	Scottish Office	Pay and general administrative expenses	60.9
Department of the Environment	Research and development and industrial sponsorship	45.9		Rate support grant for local authorities in Scotland	951.8
	Pay and general administrative expenses	87.1	Department of Agriculture and Fisheries for Scotland	Agricultural services and fisheries support	31.8
	Various central and miscellaneous services	144.4	Scottish Courts Administration	Pay and general administrative expenses	4.1
	Property Services Agency: Pay and general administrative expenses	148.0	Scottish Development Department	Motorways, trunk roads, and other transport expenditure	31.8
	Office and general accommodation services and rents (U.K.)	359.4	Scottish Economic Planning Department	Other environmental services	2.0
	Overseas representation: accommodation services	30.0	Scottish Education Department	Schools, teacher training, educational research, further education, youth services, sport, social work, libraries, galleries, museums and other arts	56.9
	Rate support grant and National Parks supplementary grants for local authorities in England and Wales	6,637.7	Scottish Home and Health Department	Health Law, order and protective services	630.3
Exchequer and Audit Department	Pay and general administrative expenses	4.6	Department of the Registers of Scotland	Pay and general administrative expenses	1.8
Export Credits Guarantee Department	Pay and general administrative expenses	10.5	Registrar General's Office, Scotland	Pay and general administrative expenses	1.6
Office of Fair Trading	Pay and general administrative expenses	2.3	Scottish Record Office	Pay and general administrative expenses	0.5
Foreign and Commonwealth Office	Overseas representation, overseas information and external relations	146.5	Queen's and Lord Treasurer's Remembrancer	Pay and general administrative expenses	3.7
	British Council	22.9	WALES		
	Overseas information: broadcasting	34.1	Welsh Office	Pay and general administrative expenses	11.0
Forestry Commission	Pay and general administrative expenses	37.9		Motorways, trunk roads, and other roads expenditure	71.3
Friendly Societies' Department	Forestry	25.3		Other environmental services	3.5
Government Actuary's Department	Pay and general administrative expenses	0.6		Libraries, museums, galleries and other arts	3.7
Department of Health and Social Security	Pay and general administrative expenses	0.4		Health and personal social services	268.7
	Health and personal social services	4,419.9		Regional and industrial development	28.7
Home Office	Pay and general administrative expenses	224.6	NORTHERN IRELAND		
	Law, order and protective services	128.1	Northern Ireland Office	Pay and general administrative expenses	39.5
Department of Industry	Pay and general administrative expenses	58.3		Law, order and protective services, grant to the Police Authority for Northern Ireland, and accommodation services analogous to GB services covered by cash limits	951.3
Board of Inland Revenue	Regional and industrial policy and research and development	122.7			
Land Registry	Pay and general administrative expenses	361.7			
Lord Chancellor's Department	Pay and general administrative expenses	23.0			
National Debt Office	Administration of legal aid fund and judges' salaries	17.0			
Department for National Savings	Pay and general administrative expenses	0.3			
Ordnance Survey	Pay, general administrative expenses and capital expenditure	41.2			
		23.4			

WE CAN CUT YOUR COMPANY'S COSTS

Have you ever calculated how much time and money is spent in setting up and administering your Company's charitable giving programme?

It could be costing you a lot more than you think.

The Charities Aid Foundation will do all for you at virtually no cost, leaving you in full control of how much you give, when you give, and to whom you give it.

TAX BENEFIT

Your Company need never give to charity out of taxed income. Use the CHARITIES AID FOUNDATION and your Company's charitable giving will be tax-privileged, even those spontaneous donations to disaster funds and special appeals.

So your Company can maintain its essential giving at less cost... or you can give even more to charity without it costing your Company a single extra penny.

Please send for our booklet "The Business Side of Giving to Charity" or any others below that may interest you.

CHARITIES AID FOUNDATION

48 Pembury Road, Tonbridge Kent TN9 2JD

ACTIVITIES OF THE CHARITIES AID FOUNDATION - a guide to methods of giving to charity.

FACILITIES - those who wish to give capital to charity.

GIVING TO CHARITY FROM INCOME - for individual donors.

BUSINESS SIDE OF GIVING TO CHARITY - for Company Directors.

CHARITY CREDITS - company benefit.

STATE OF GOVERNMENT - corporation and administration.

CHARITIES AID FOUNDATION

Specialists in tax-privileged giving to charity

LEGAL NOTICES

THE OFFICIAL ASSIGNMENT IN THE MATTER OF THE ESTATES OF THE FOLLOWING:

F. DELAUNAY'S 10th November 1970

A. C. C. RING & COMPANY LIMITED and in the Matter of the Companies Act, 1968.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 19th day of March 1977, presented to the said Court by CITY ELECTRICAL FACTORS LIMITED, whose registered office is situated at 1, Station Road, Kenilworth, Warwickshire, CV9 1JL, Electrical Factors, Creditors of the above-named Company, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 23rd day of April 1977, and any creditor or contributory of the said Company desirous to support or oppose the winding up of the said Company, or to present a claim against the said Company, should file a claim in writing with the Official Assignee, at the Royal Courts of Justice, Strand, London WC2A 2LL, on or before the 23rd day of April 1977, and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requesting such copy on payment of the regulated charge for the same.

HANCOCK & WILLES,
Dragon House,
36 Gordon Street,
London WC2H 8AB.
Agents for WRAGGE & CO.,
1 Cherry Street,
Birmingham.

Solicitors for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named office in writing his objections to the winding up of the said Company, or to present a claim against the said Company, and if so required by notice in writing from the said Liquidator, are personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice or in default thereof they will be excluded from the benefits of any distribution made before such debts are proved.

DATED this 23rd day of March, 1977.
R. E. FLOYD,
Liquidator.

N.B.—This notice is purely formal as all known creditors have been called or will be called in full.

APPOINTMENTS

COMMODITY APPOINTMENTS. traders' notices and advertisements.
Tel: Graham Stewart, 01-439 1701.

Ulster coalition may expel three MPs

THE COALITION of Loyalist politicians in Ulster is to press on with its threat to expel three Unionist MPs who refused to vote against the Government in the no-confidence motion last week.

It was decided yesterday to invite the three MPs—Mr. Enoch Powell, Mr. Harold McCusker and Mr. John Carson—to explain to the coalition their abstentions satisfactorily or to face expulsion.

The Official Unionist Party's senior member of the coalition, to which all three MPs belong, will resist what it sees as a witch-hunt launched by the Rev. Ian Paisley's Democratic Unionist Party.

The Official Unionists maintain that the coalition itself can take no disciplinary action. It says this is in the hands of the individual parties and it supports the action of its own MPs.

Unionist politicians at Westminster think it unlikely that

Brewery output trend remains depressed

THE UNDERLYING trend in the mid-Budget at the end of last year. The February results showed production for the first two months of 1977 only 0.7 per cent above the same period a year ago. Just over 5m. barrels were produced in the calendar year 1977.

However, output in February 1977 shows a low level for the year. The industry just managed to get back to the 1974 level for the month.

The brewers had expected a slow start to 1977 because of a place nearer the ultimate stocking-up which went on ahead consumer.

THE POFCHER COMPANY LTD.

has moved its offices to

5 Williams Mews, Lowndes Square, London SW1

Telephone (01) 235-4495 Telex 21120

The Pofcher Companies in London and New York act as Advisors to European companies in publishing and communications who wish to invest in and acquire companies in the United States.

Computer for Post Office experiments

THE POST OFFICE is starting computer monitored experiments to help it work out plans for new microwave transmission earth stations.

The new earth stations are to operate with the next generation of communication satellites, such as Intelsat V and the European regional satellite system expected in service by 1979-80.

Experimental transmissions over three years will be monitored by a £49,000 computer ordered from Honeywell information systems and to be installed at Martlesham Heath, Suffolk.

Head Office: BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY. Telephone Day & Night: 01-248 3000. Telegrams: Finantimo, London. Telex: Editorial 886341/2, 883397 - Advertising: 885033.

All the arithmetic points to a neutral policy

A provisional Budget

MR. HEALEY'S latest Budget turns out to be very much what most people expected. The reasons for this are straightforward enough. His freedom of action was circumscribed by three different but related constraints. The first is that the rate of inflation is still dangerously high and that its reduction must remain a principal aim of policy.

The second constraint on the form of the Budget, therefore, was the need to reach an agreement with the TUC about a third phase of voluntary pay restraint. Serious negotiations about this have not yet begun because the union leaders were anxious to see the Budget proposals first, and some of them would have preferred the Chancellor simply to cut taxes.

Even as things stand, however, some cut in taxation was possible and generally foreseen. An overall cut was justified by the economic situation and compatible with the terms of the undertaking to the F&D. The size of the permissible cut in direct taxation, moreover, could be increased by raising indirect tax. The Chancellor has taken advantage of both possibilities. So far as the unconditional cuts in direct tax go, he is to be congratulated on helping those at all income levels—though he is, in fact, only partly reversing the past effect of fiscal drag—by easing the position of those working abroad. This shows a realism which leads one to hope that his references to the low level of company profitability are to be taken seriously and will influence the operation of the new price code.

Phase Three

So far as the increases in indirect tax go, they are admittedly no more than a first step in the right direction and rest only a small way towards restoring the balance that was upset by inflation. It is slightly odd, indeed, that the Chancellor did not introduce indexation or something similar to prevent the situation deteriorating again. But, in general, while he has made a sizeable part of his proposed cuts conditional on a satisfactory agreement, about Phase Three. And the third, overriding constraint, of course, was the undertaking given to the International Monetary Fund about public sector borrowing.

Tax cuts

The public sector borrowing requirement for the coming year turns out, as widely forecast, to be down far enough to permit sizeable tax cuts within the limits of the undertaking to the F&D. This is largely because the PSBR for the year just ended was well below expectations, and the reasons for this are not entirely clear. It seems possible that local authorities, in particular, are cutting back their expenditure vigorously: certainly the system of cash limits seems to be working effectively. It is to be hoped that as economic activity revives the system will be used to make further cuts in public expenditure and so make further tax cuts possible. The Government itself is now clearly aware of the fact that the vast majority of workers want to be able to spend a larger share of their income for themselves.

Butter is not the only issue

THE NEGOTIATIONS on European Community farm prices broke down—with Britain outnumbered by eight to one—on the narrow issue of the butter mountain. In essence, Mr. John Silkin, the British Minister of Agriculture, offered a devaluation of the green £ of just under two per cent, and was prepared to accept a three per cent increase in farm prices (with the exception of dairy products) in return for a butter subsidy of 20p a pound, the subsidy apparently only to apply to the U.K. The package presented by the Brussels Commission late on Monday night consisted of a green £ devaluation of four per cent, farm price increases (including dairy products) of 3.5 per cent, and a U.K. butter subsidy of only 8p a pound. The net result would have been that Britain would have been paying out more on other products than it would have been getting back on butter. Mr. Silkin therefore rejected it.

Sense

The Minister has a point. The butter mountain exists. At its current level of around 200,000 tonnes, it is about the equivalent of two lbs for every man, woman and child in the Community. It makes sense to seek to reduce it, and it makes better sense to offer it at subsidised rates to Community members than to third countries, especially the Soviet Union. The subsidy on the recent Soviet purchase was, in fact, about 40p a lb, twice the amount being sought by Mr. Silkin for sales in the U.K.

Reform

The other weakness is the failure to make more use of the green £ as a bargaining counter. It is perfectly true that the system of monetary compensation amounts designed to take account of changes in exchange rates is not illegal. It is a windfall to Britain within the rules of the system. But it is also expensive to those who have to pay it and the best course for Britain would be to offer gradually to give it up in return for a more thoroughgoing reform of the agricultural policy. Sitting tight on what we have, and then asking for more, is no way to a more sensible farm policy. What is more, the present posture may well have repercussions in other areas of Community negotiations.

"Now here, you see, it takes all the running you can do, to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that!" (Alice Through the Looking Glass.)

Behind the window dressing, the Budget is a simple one. Although the Chancellor spoke about a £1.5bn stimulus and of increasing employment by 100,000, the Budget is a neutral one which gives no fiscal stimulus whatever. This view is not a peculiar monetarist aberration on my part, but the soundest Keynesian arithmetic. Mr. Healey estimated the public sector borrowing requirement for 1976-77 at £8.8bn. His central estimate for 1977/8 is £8.5bn, just within the IMF ceiling. The picture is little changed if one prefers to look at the financial deficit instead of the borrowing requirement. Indeed, if the deficit is expressed as a proportion of the national product, it actually goes down by 1 per cent.

The impression of a neutral to slightly contractionary policy also comes out of the monetary arithmetic. Money supply growth in the year now ending is estimated at less than 9 per cent, and for the coming financial year at 9 per cent to 13 per cent. Both figures imply a substantial fall in the real money supply—although owing to the bizarre approach to managing sterling and the DCE formula, almost anything might happen.

MONETARY ASPECTS

Prudent if wages hold

THE CHANCELLOR'S claim that he was deliberately erring on the side of caution in his Budget proposals appears to be reflected in the Treasury arithmetic behind them. Only one optimistic assumption seems to have been fed into the Treasury computer: a further effective year of wage restraint. Caution is reflected both in the very subdued economic forecasts and in the forecast for the central financial figure, the public sector borrowing requirement. In spite of the fact that last year's PSBR is now put more than £3bn. below the April forecast and more than £2bn. below the figure offered as recently as December, the forecast for next year has been reduced by only £1bn. About a third of this reduction is due to interest payments reduced by below-forecast borrowing last year. Lower interest rates have made a further contribution, so that only about £500m. is left for "real" effects—the success of cash limits, the fact that local authorities appear to be showing unexpected self-discipline, and above all the fact that costs in the public sector have risen much more slowly than prices and incomes in the economy at large.

POLITICAL CONSEQUENCES

Impact on four vital groups

THE CONTINUED survival of the Government depends (if we exclude the international bankers and divine providence) upon four groups of people at the present time. Perhaps the most convenient way of assessing the political impact of Mr. Healey's Budget is to inquire whether it is likely to have a critical effect on their attitudes, and if so in what direction. First the trade unions. The single most certain cause of the Government's downfall during the course of the summer or autumn would be a spectacular failure to agree on the next phase of the incomes policy; for such a failure would not only set up serious and probably intolerable new strains within the Labour movement, but would very likely cause something like another sterling crisis demanding remedial action of a kind that the Cabinet could not agree upon a second time. On the other hand, an attempt to impose a rigid formula like last year's might well, even if it were successful, cause a different, no less serious, sort of damage—at the level of union leadership, a drawing away from the Government; and on the shop floor and constituencies, a complete disenchantment with the political wing of the movement. The Chancellor has done his best to steer between these two rocks. He has adopted the same expedient as last year of trying to improve his hand in the negotiations by making nearly £1bn. of his tax cuts contingent on a satisfactory outcome, but with

The picture of a contraction-pipeline—a deterioration which would be only halved by the achievement of the alternative, more optimistic forecast given in the Financial Statement. The special employment measures mentioned by Mr. Healey work—if they work—by reducing productivity. This, as a matter of arithmetic, is the only way that a limited GDP can be made to mean more jobs. There is a case for this in some circumstances; but I would not like to be the Department of Industry official who has to reconcile these make-work trends this should be manageable with a further substantial fall in interest rates.

TREASURY FORECAST AND OUTCOME

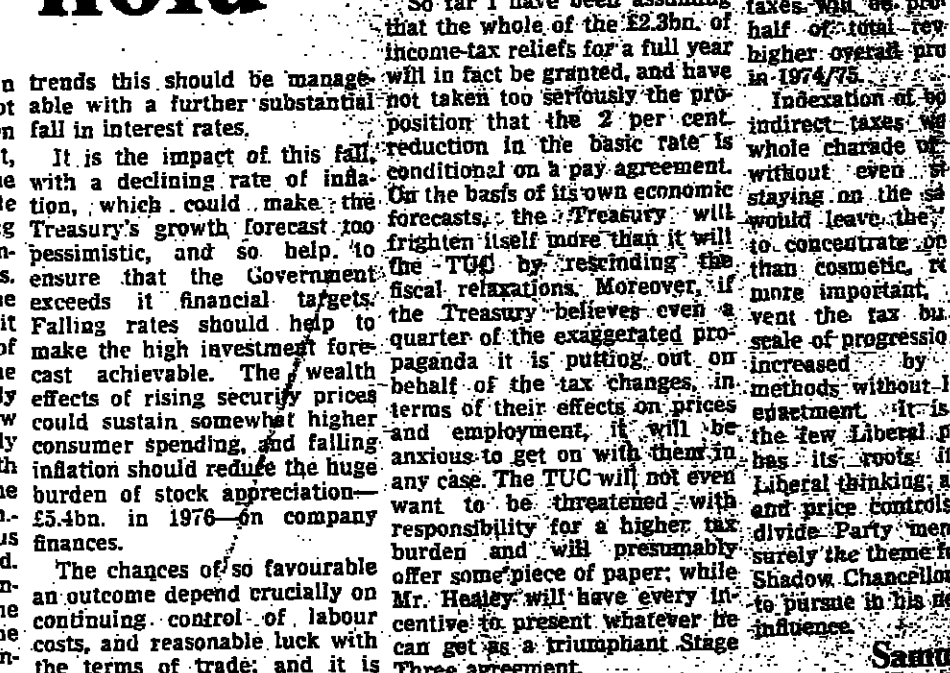
Table with 4 columns: % changes at annual rate, 2nd half 1975 to 1st half 1977, Forecast, Outcomes, 2nd half 1976 to 1st half 1978, Forecast. Rows include Consumers' expenditure, Public expenditure on goods and services, Private fixed investment, Exports of goods and services, Total final expenditure, Imports of goods and services, Statistical adjustment to factor cost basis, Gross Domestic Product, Retail Price Index.

Source: Financial Statements 1976-77 and 1977-78

chance that the PSBR will again fall short of forecast, though not by the spectacular margin seen in 1976-77; even if it does not, the financial implications of the Budget look pretty manageable so long as progress in reducing inflation is sustained, and confidence suffers no rude shocks. Under these circumstances, the £7.7bn. limit on domestic credit expansion will be of only academic interest. With the foreign trade account roughly in balance, and no likely outflow of private capital, DCE is likely to be very much in line with the permitted growth of the money supply, a matter of £4bn. or £5bn. if the normal cautious management style is sustained. Only if there is a shock to confidence, or an accident with the balance of payments might the DCE limit operate as a constraint.

PERSONAL INCOME TAX

Decline in real value of personal and dependent allowances



Anthony Harris

David Watt

Advertisement for The Famous Grouse Scotch Whisky. Text includes 'The FAMOUS GROUSE', 'The Famous Grouse Scotch Whisky', and 'Quality in a glass of whisky'. The image shows a bottle of whisky and a glass.

Handwritten text at the bottom of the page: هكمان الرصل

THE BUDGET

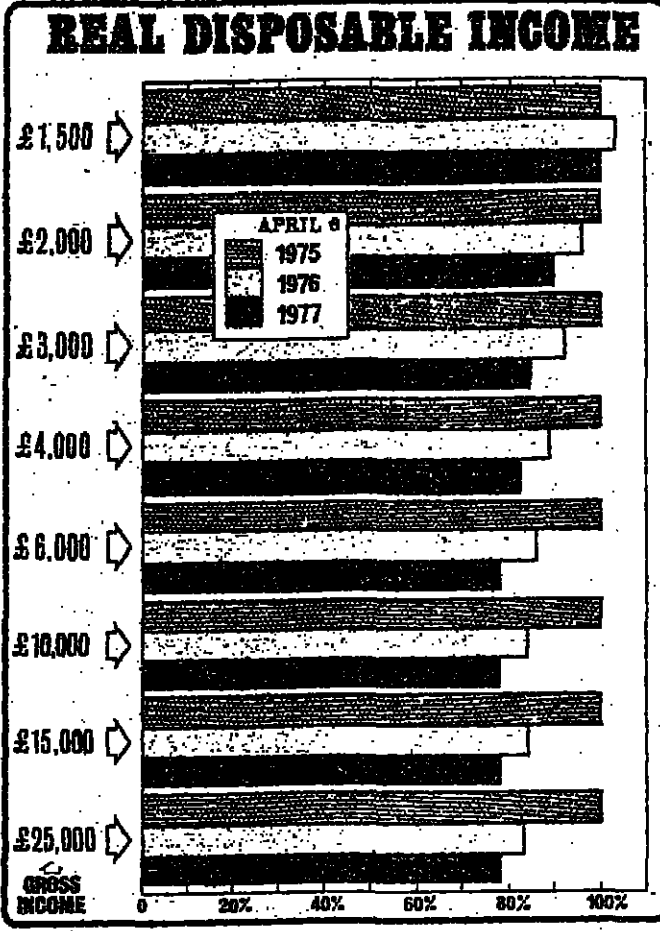
PERSONAL TAXATION

That sinking feeling remains

BUDGET promises unconditional change in the basic rate of 35 per cent to 33 per cent, but the unconditional part of the increase in personal tax is by £70 to £805 for single, and by £140 to £1,000 for married people. The allowance for heads of families will be £1,225. These changes are about 850,000 out of the income tax payers for most people will see a reduction in tax for children which the new tax-free child aid to mothers.

The system of higher rate also revised, so that 40 per cent will start taxable income instead of 45 per cent. The economic impact of the changes is discussed, but for the moment the Chancellor's budget offers a little relief to those at the sharp end of the problems.

The Chancellor has provided relief for those at the sharp end of the problems. The first of the two groups he has created is described in the Commons on December 14. It is for those who are resident in the U.K. but who are abroad for a continuous period of 365 days or more. The second category, who were given a 25 per cent tax exemption under the 1974 legislation, were those individuals who were abroad for shorter periods, but who had directorships or employment, all of the duties of which had to be performed abroad. It was the word "all" which formed the greatest stumbling block. One of its implications was that overseas employment had to be separated from U.K. employment—different employers and distinct formal contracts of employment. A second implication arose from the Revenue's unwillingness to let these individuals breach the reimbursement expenses legislation. There was nothing intrinsic to the "separate" overseas employment which could permit the employer to bear the cost of the employees' living expenses, without the latter paying tax on the benefit. Expenses would have been tax free had the overseas trip been an integral part of a continuing



The chart shows these figures as percentage falls in his spending of 14 per cent, and 22 per cent, compared with what it was fully well known to us all. Politicians and economists may argue that it is a distorted picture—that the value of the being too small to show up on the chart.

One aspect of the picture cash in evaluating standards of living. This has some validity, but at the point we have currently reached, many individuals would say that the rate of decline of real disposable cash should be slowed down, even if it means also a slowing down of the rate of increase in the social wage.

The second, and perhaps more surprising part of the picture is the way in which the percentage falls in spending power remain unchanged from £5,000 per annum upwards. Give or take single percentage points, the fall from April 1975 to April 1977 was 22 per cent, at all salary levels, from £5,000 to £25,000. At the intervening year end, the upper income individual had suffered a marginally greater fall, but the Chancellor's current proposals will level it off.

In tax terms the Chancellor's proposals have benefited middle management, but the real impact on this group of tax-payers is still a 6 per cent fall of spending power. In this context Mr. Healey's statement that those in the area of middle management will gain proportionately more than those at the very top is simply a reference to tax calculations in isolation from the surrounding circumstances. He said that he would have liked to have been able to do more for the senior managers. The chart shows that their sufferings are no greater than those of middle management. But the top rates of income-tax can still be regarded as penal.

David Wainman

Do unto others... Building up portraits of men like Charles de Gaulle, Ho Chi Minh, Ian Smith and an American soldier killed in Vietnam out of different coloured pieces of wood was one of the ways in which Peter Thompson gradually re-built his own fractured personality during four years as an inmate at Broadmoor. Yesterday Lord Donaldson, Minister of the Arts, opened a showing of Thompson's marquetry at Earls Court's Living Art gallery.

At first sight it seemed an odd juxtaposition, a socialist Minister officiating at a show put on by a man who, among his other activities, is Public Relations man for Aims of Freedom and Industry, and like Aims chairman Michael Ivens who was also present, a sort of Tory anarchist.

As Donaldson made clear however their relationship was an old one, dating back to the time in 1957 when Thompson had his bag stolen by what Donaldson described as "an old lag" whose hard-duck story in court subsequently got involved in activities aimed at helping out ex-prisoners. His own experience as an ex-prisoner when he was released from Broadmoor in 1969 confirmed his awareness of the need for greater after-care for prisoners. Thompson has now translated this awareness into a new charity aimed at providing practical and professional help for discharged patients and former prisoners of special

MEN AND MATTERS

Friends of the heir

On the surface it was such a nice occasion. A nice young man in a nice dark suit sat in a nice gilt-framed armchair in the Winter Garden of Lisbon's Ritz Hotel. He was smiling benevolently at 300 nicely-dressed ladies and gentlemen who looked as if they had nice bank balances, and a sprinkling of distinctly less nice representatives of the Press.

Then the nice young man spoke. "The heir of the kings of Portugal doesn't need to pretend. It isn't up to royalty to impose itself, but to hear the call of the people. So it is not up to me to pretend, but to be at your disposal."

"Long live the King!" shouted the nicely-dressed ladies and gentlemen, leaping to their feet. For the nice young man was His Royal Highness Dom Duarte Pio, Duke of Braganza, heir (but not, as he underlined, pretender) to a throne vacant for 61 years. His Royal Highness was reading his message to the people, indicating his readiness to stand and wait for the word.

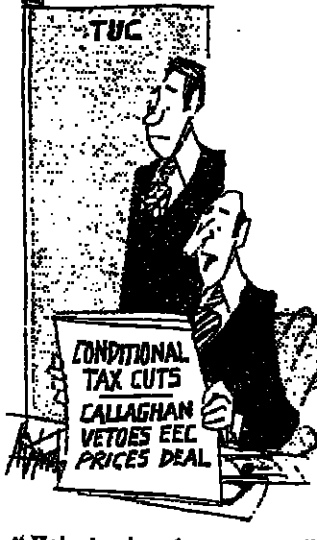
Dom Duarte Pio is not a direct descendant of the last King of Portugal, who was driven out of the throne by Republicans in 1910, he is direct descendant of the last absolute monarch, Dom Miguel, who was driven out of the country by his liberal brother in 1833. The last King had no heirs.

So there was Dom Duarte Pio exercising his right, as an heir to and believer in the institution of Monarchy (an institution above politics, he says), to offer an alternative to the Portuguese people.

On close inspection however, the nicely-dressed gentlemen who stood and shouted "Long live the King" were a very interesting bunch. There were the Press—trying to look respectable and merge into the crowd helping itself to Royal scotchies, gin, white port and sherry and particularly good roasted almonds, but we couldn't quite make it because our eyes were popping.

Parading through the Winter Garden were the heads of every single known extreme right-wing party plus a gaggle of very interesting foreign visitors of similar ilk. These are royalists? We gaped, downing more Royal scotch. "No," said a helpful young man. "These are very important people who intend to restore order and discipline to Portugal. Very soon, come summer." Down went another round of Royal scotchies and gin and tonics.

But what were they doing



He's hoping to grease our palms with cheap butter!"

there if they weren't Royalists? "Ah," said the helpful young man. "They don't have much chance to get together socially, too conspicuous, you see." Quite.

Do unto others...

David Wainman

Do unto others... Building up portraits of men like Charles de Gaulle, Ho Chi Minh, Ian Smith and an American soldier killed in Vietnam out of different coloured pieces of wood was one of the ways in which Peter Thompson gradually re-built his own fractured personality during four years as an inmate at Broadmoor. Yesterday Lord Donaldson, Minister of the Arts, opened a showing of Thompson's marquetry at Earls Court's Living Art gallery.

At first sight it seemed an odd juxtaposition, a socialist Minister officiating at a show put on by a man who, among his other activities, is Public Relations man for Aims of Freedom and Industry, and like Aims chairman Michael Ivens who was also present, a sort of Tory anarchist.

As Donaldson made clear however their relationship was an old one, dating back to the time in 1957 when Thompson had his bag stolen by what Donaldson described as "an old lag" whose hard-duck story in court subsequently got involved in activities aimed at helping out ex-prisoners. His own experience as an ex-prisoner when he was released from Broadmoor in 1969 confirmed his awareness of the need for greater after-care for prisoners. Thompson has now translated this awareness into a new charity aimed at providing practical and professional help for discharged patients and former prisoners of special

hospitals, including Broadmoor, and helping them re-adjust to life outside. It is called the Matthew Trust after chapter 25 of St. Matthew's Gospel "I was hungry and you gave me food... I was in prison and you came to see me."

Tatler sale?

Yet another change of ownership looks likely for England's oldest magazine. The Tatler, started in 1709. Since last July the latest in a long line of, sometimes unlikely proprietors has been a 41-year-old financier, Robert Knight, who hopes to reach agreement on a sale in the next few days.

Knight was one of the founders at the end of the sixties of First Fortune Holdings, a leasing company bought in 1974 by Commercial Credit Corporation of Baltimore, Maryland. Two years ago, First Fortune bought Slater Walker Finance Corporation, the instalment credit side of the Slater group.

Knight recently relinquished the deputy chairmanship of First Fortune, but said yesterday he was continuing as an adviser to the company. Knight's private interests in the shape of Tiger Securities bought control of The Tatler and two sister companies—Illustrated County Magazines with 14 titles including Norfolk Life and Bristol News, plus Radcliffe Press, the Nottingham printing works of those 14 and The Tatler. The 268-year-old magazine has always had its ups and downs, particularly lately because of labour troubles at the Nottingham plant. John Elliott, the Tatler's managing director said yesterday that circulation was around 30,000 at present having gone down to a low early last year of 25,000 when a dispute delayed one month's issue by three weeks.

It still concentrates on the world of fashion and high-life parties, and Elliott claimed it was a consistent profit-maker. The magazine was started as a coffee house gossip sheet by Joseph Addison, poet and politician. Its owners have included, between the wars, Sir John Ellerman, the secretive shipping magnate, and in more recent times Thomson Newspapers.

And now? It appears that a group of investors rather than a single company are interested in The Tatler (the other two companies look like remaining with Tiger), though their identity and the question of price are not being disclosed at the moment.

Observer

INCENTIVES TO EXPORTERS

Relief for those at the sharp end

Chancellor has provided relief for those at the sharp end of the problems. The first of the two groups he has created is described in the Commons on December 14. It is for those who are resident in the U.K. but who are abroad for a continuous period of 365 days or more. The second category, who were given a 25 per cent tax exemption under the 1974 legislation, were those individuals who were abroad for shorter periods, but who had directorships or employment, all of the duties of which had to be performed abroad. It was the word "all" which formed the greatest stumbling block. One of its implications was that overseas employment had to be separated from U.K. employment—different employers and distinct formal contracts of employment. A second implication arose from the Revenue's unwillingness to let these individuals breach the reimbursement expenses legislation. There was nothing intrinsic to the "separate" overseas employment which could permit the employer to bear the cost of the employees' living expenses, without the latter paying tax on the benefit. Expenses would have been tax free had the overseas trip been an integral part of a continuing

mainly U.K. employment—but the 25 per cent exemption on earnings would not then have been available.

By providing that shorter periods spent abroad can be aggregated in arriving at the required 30 days, the Chancellor has admitted that a valuable contribution is made, and personal disruption and expense is suffered, by the individual whose function is shuttling between his company's U.K. base and its customers overseas, meeting the latter's requirements on design, installation and servicing. The apportionment on a time basis of earnings avoids not only the artificialities and difficulties of the separate employment contracts, but also the worries which the Revenue have always had that overseas earnings could be inflated at the expense of those fully taxable in the U.K. A second worry always present in the Revenue mind is the increased cost of operation of a complex relief granted to a large number of individuals, particularly if the average amount of tax at stake is small. The Chancellor has been generous in spreading his relief as widely as he has.

Benefits for the stars

UNDER existing rules a British film star can earn more by working for an American company in France, than he can for a British company, but also a British engineer can earn more working for IBM in short periods abroad than for ICL, even if the salaries are apparently the same.

This all now changes. Last night both the show business and industrial world were expressing surprise at the liberality of the decision. Into the new tax benefit net will fall pop groups earning £10,000 a week per person on tours and pipeline repair workers making considerably less; U.K. film and television personalities making guest appearances on U.S. chat shows or featuring in commercials will no longer be at a tax disadvantage; British film makers will now be able to compete for the services of British stars in films being shot abroad.

Under the present tax rules a deduction is only allowed for tax purposes if the earnings are from a separate employment, the duties of which are entirely abroad. A self-employed singer who goes to New York for a month therefore receives 25 per cent tax free. The same singer, if employed on contract by a British company, receives no relief.

Last night Management Agency and Music, which looks after the interests of singers Tom Jones and Engelbert Humperdinck, and disc jockies Ed Stewart and Kenny Everett, among others, greeted the news with enthusiasm. "Our people earn high fees, so this sounds like excellent news."

Arthur Sandles

David Wainman

EMPLOYMENT moves towards job creation

Measures will it is claimed, keep some 200,000 people off the unemployment register at any given time.

On a quite opposite principle to the temporary employment subsidy, the Government is, under a modest but significant scheme, experimenting with the idea of paying subsidies to employers who agree to take on new labour. This is an approach which the Department of Employment has until now been reluctant to pursue.

Under a scheme announced yesterday, small firms—those with less than 50 workers—will qualify for grants of £20 a week for every new job created during a six months' experimental period between July 1 and December 31. It will apply only to private manufacturing from 14 per cent of total unemployment in July, 1975, to 20 per cent in January of this year.

It is a stark fact that one unemployed worker in every five has now been without a job for a year or more, a statistic which becomes even more disturbing socially when it is related to other problems in areas of high unemployment. Finding a way of tackling this particular aspect of the unemployment problem is clearly not easy, but the Manpower Services Commission is to consider operating a selective job-introduction scheme for such people on similar lines to the proposals to help disabled workers.

The first question posed by yesterday's announcement of new job measures is whether they will be seen as sufficient to satisfy trade union leaders who are coming under increasing pressure from their members to press for stronger job creation action. Mr. Booth ventured the opinion yesterday that his latest proposals should be "helpful" in getting agreement on another round of pay policy.

There is certainly an air of realism among trade union leaders that structural unemployment problems cannot be solved by instant measures, however dynamic, and the Government will not be criticised for continuing to put much of its hope in the trusted temporary employment subsidy. It was a particular wish of the TUC that the 12 months' maximum period should be extended in appropriate cases and this will be welcomed, although there might be doubts about whether the reduced £10 payment will be high enough to protect jobs.

One more radical proposal which the TUC first put to the Government when the Employment Protection Bill was being enacted and repeated again this year has once more not been taken up. This was for a "veto on redundancy," which would have made it unlawful for employers to go ahead with redundancy programmes unless they received the approval of the Department of Employment.

In addition to the measures announced yesterday, the Government has already indicated that it will continue until the summer with its job creation and work experience programmes, both of which are particularly helpful to unemployed young people.

Precise estimates of the total number of workers assisted by all these schemes are difficult to compile. Yesterday's measures should keep the unemployment register down by some 200,000 throughout this year but the number of people benefiting is greater than this, since the schemes do not apply to the same individuals throughout.

Alan Pike

If the fastest-growing economy on the American continent interests you, then it's time you discovered Venezuela.

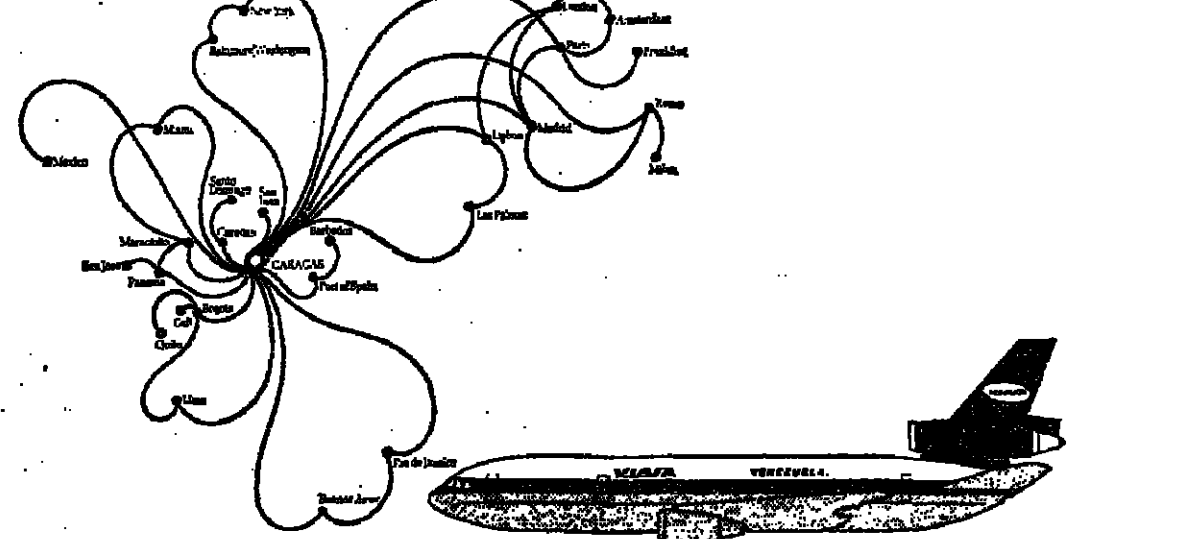
It's time you discovered Viasa.

When it comes to business opportunities, Venezuela is a very special place indeed. As well as having the strongest and fastest growing economy in South America, Venezuela is the world's third largest oil producer. Its population of 12 million is highly industrialised and represents a sophisticated and demanding market. All of which must make interesting reading to anyone who is alive to such business opportunities. And this is where Viasa comes in. Like most national airlines, Viasa reflects the country. The same efficiency, drive and energy is there; the expertise and experience to provide the service when and where you need it. Like the two flights a week to Caracas in DC10 wide-bodied jet comfort. Like the special attention to the needs of the businessman during the flight and on arrival at Caracas. And like the convenience of being at the centre of the Viasa network for the rest of South and Central America. So, on your next trip to South America, check your route with Viasa. You'll be glad you discovered Venezuela. You'll be glad you discovered Viasa.

London to Caracas	Caracas to London
VA705 10.15 Mondays	VA704 17.00 Thursdays
VA707 11.15 Fridays	VA706 21.30 Saturdays

All reservations through KLM General Sales Agents for VIASIA in UK. London 01-568 9144 Birmingham 021-843 5741 Manchester 061-834 0184 Glasgow 041-248 3677

Effective from 1 April 1977, from which date the London-Caracas-London service will be operated by DC10-30 Wide-bodied jets.



VIASIA Venezuelan International Airways
 19/20 Grosvenor Street London W1X 9PD Telephone 01-629 1223 and 01-493 5573

points icy

FAW GRO

THE BUDGET SPEECH

Striking successes • Jobs problem remains

DESCRIBING income tax reductions as "the heart of his Budget," Mr. Healey yesterday offered cuts amounting to £2.25bn. in a full year.

The Chancellor made clear that in return he expected agreement on pay "consistent with his inflation objectives." But he believed that his proposals would strike a reasonable balance between the needs of the groups which most required relief immediately.

Mr. Healey said that in his statement to the House last December, he had announced economic measures which were part of a medium-term programme for national recovery. "I said that those measures, reinforced by the next Budget and further progress on the industrial strategy, would enable us to make the difficult transition to a more firmly based prosperity.

"The measures I then announced have succeeded in their main purpose. They have restored our financial stability. This is shown by the rise in the exchange rate, which has been stable at 16 cents above the low point it reached last October, by the increase in the sterling balance, and by the market loan of \$1.5bn. which I signed in February.

"Domestically, the success of the measures is shown by the sales of gilts which have kept the monetary aggregates under tight control and by the fall in interest rates. Rates are down by 5 per cent since their peak in October.

"These striking financial successes are a necessary condition for our recovery and must be maintained. But they are not by themselves sufficient to achieve the fastest and most sustainable return to a high and employment level of output and employment, which remains this Government's overall economic objective.

"This Budget builds on the success of the December measures and moves us further towards recovery. The principal measures I shall be announcing will contribute to a return to the level of our main competitors and improve the performance of our manufacturing industry.

A trading nation

"The scope for such measures is governed by the need to maintain the financial stability we have now achieved and to get rid of the deficit on our current balance of payments. It is still too soon to take risks in either of these fields, so it is a matter of judgment. I must err on the side of caution this year, particularly while the precise path of our balance of payments is still uncertain.

"The United Kingdom is a trading nation. This means we cannot sustain our economic recovery without a major improvement in our trade performance so that we win and hold a larger share of both home and export markets. But the speed of our recovery will also depend heavily on conditions in the world economy and the growth of world trade.

"So I begin my review of the economic background to the Budget with a look at the world economy.

"The industrialised countries as a whole achieved a relatively rapid recovery in output and trade at the beginning of 1976, but this fell off through the rest of the year. Over the year as a whole, their GNP rose by nearly 6 per cent, after falling 14 per cent in 1975; and world trade in manufactures increased by nearly 10 per cent, following a drop of nearly 4 per cent in 1975.

"Nevertheless, there is growing concern that this year's growth has been unusually prolonged for this stage in the cycle. "More recently growth in some major countries has shown signs of accelerating again. There now seems to be a reasonable prospect that this year GNP in the major countries will grow at around 5 per cent. World trade in manufactures may rise by about 3 per cent.

Oil and growth

"Present policies in the U.S. and Japan should help to ensure that their recovery is sustained. But in Europe, the prospects are more doubtful. Inflation and difficulties with the balance of payments have led several countries to take restrictive measures. Even countries with a strong balance of payments and low inflation rates are being very cautious in their fiscal policies.

"The OPEC countries are expected to increase their imports by 15 per cent in 1977, but as a group they will continue to run a massive surplus. In the non-oil developing countries, however, growth will remain constrained by shortage of foreign exchange. Many of them improved their position last year, as the price of primary commodities rose to a level above that of 1976. Nevertheless, their imports are likely to be held back by financing problems and the need to rebuild their reserves.

"The most disturbing feature of the world scene is that over the last two or three years every major industrial country has seen its unemployment level rising well beyond what has been regarded in the post-war world as the limit for a well-managed economy.

"At the end of 1976 there were estimated to be 15 million unemployed in countries of the OECD, an average unemployment level of over 5 per cent. "For the year ahead, Europe at least can expect little if any

reduction in unemployment, and it will take concerted action to improve the outlook.

"This is the background against which I must review the present position and prospects of the British economy. A fuller and more detailed analysis will, as usual, be found in Part I of the Financial Statement and Budget Report but I will now describe its principal features.

Domestic economy

"During the past 12 months production has made a modest recovery from the recession of 1975. But the economy is still working well below its productive capacity. Industrial investment is rising but is still too low, and there is still a substantial current account deficit on the balance of payments to be eliminated.

"If we were to make no change whatever in present policies, I would see the prospects as follows: "Production would grow only slightly in the next 12 months. The main increases in demand are likely to be in net exports and manufacturing investment.

"From other sectors, however, little or no stimulus is to be expected. Public expenditure on goods and services will be lower than last year. And, on present policies, I would expect no increase in private consumption. Indeed, there might be some decline.

"Taken together, these trends could be expected to mean that demand and production would continue to grow slowly. But with so modest a recovery in output I would not expect any fall in the level of unemployment. Indeed, I fear some further rise would be more likely.

"The rate of increase in unemployment has, however, been falling markedly. In 1975 the increase was 40,000 a month; in 1976 it was 13,000 a month; and this year there has been a welcome fall in the level of unemployment. But two months ago I was too soon to take risks in either of these fields, so it is a matter of judgment. I must err on the side of caution this year, particularly while the precise path of our balance of payments is still uncertain.

"The United Kingdom is a trading nation. This means we cannot sustain our economic recovery without a major improvement in our trade performance so that we win and hold a larger share of both home and export markets. But the speed of our recovery will also depend heavily on conditions in the world economy and the growth of world trade.

Concern on prices

"The rate of price increases is also a cause for concern. I have said many times that we need to get our inflation rate down to the level of our main competitors. Last year's expected rate of inflation was 10 per cent, but we have achieved only 7.5 per cent. Our inflation rate was falling rapidly in the first half of 1976, thanks to the £6 pay policy, but our rate was still much higher than those of our main competitors.

"The disparity caught up with us and caused a fall in the exchange rate. There were other factors like the drought and the world increase in commodity prices, but the fall in the exchange rate was the main factor which checked the decline in our rate of inflation last year, and prevented us from reaching single figures by the end of 1976.

"The response of the trade union movement, first to its pay limit and then to its failure to give us a very good example of resuming the fall in inflation in the second half of this year when the effects of last year's depreciation have finished feeding through into prices. Indeed, there is a real prospect of getting inflation into single figures by the second quarter of next year, provided we can avoid substantial depreciation.

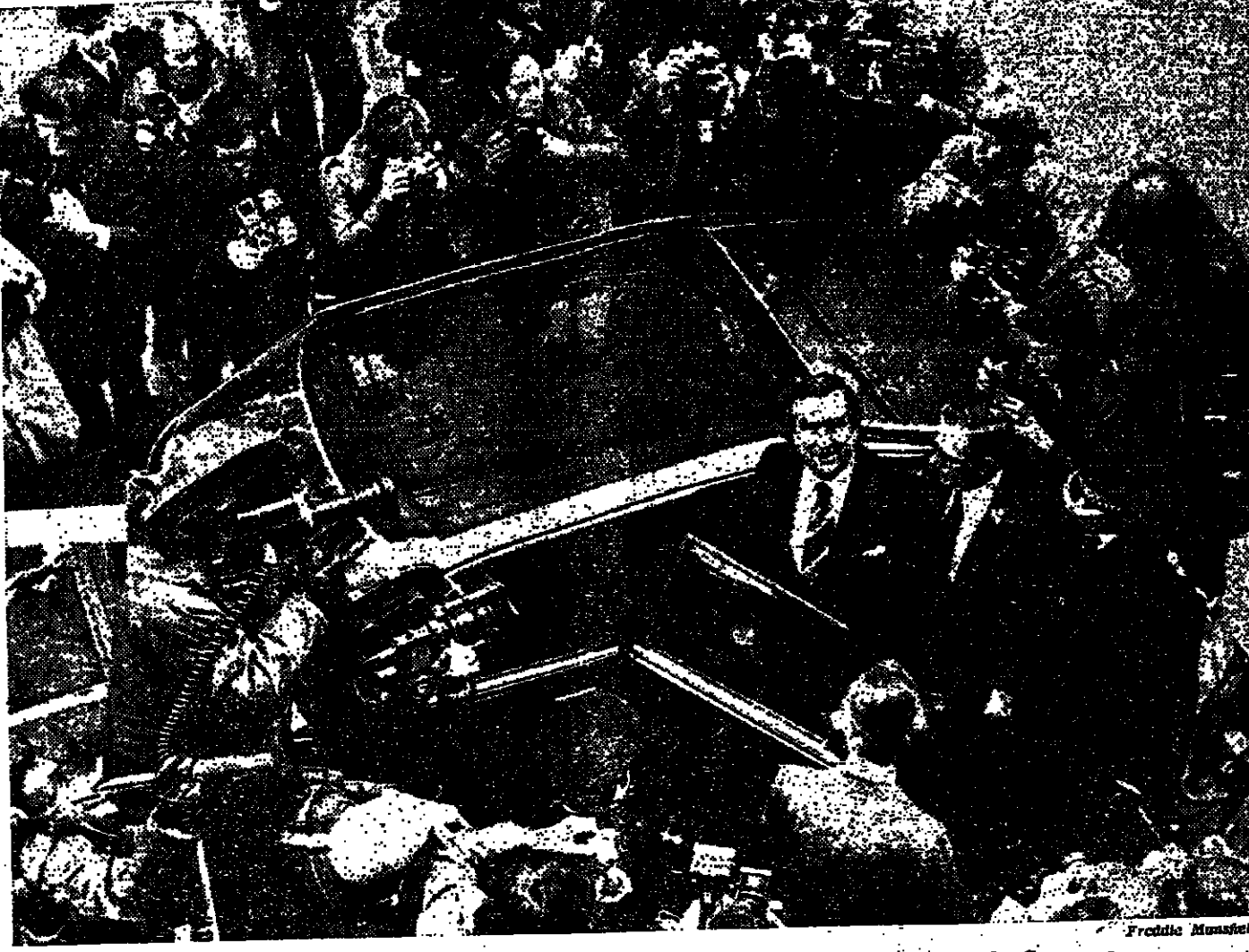
"This will be possible only if we maintain confidence at home and abroad in our determination to reduce our inflation rate; and that in turn means that we must get a satisfactory agreement on pay to operate when the present pay agreement expires at the end of July.

Return on investment

"There is no chance of getting a new agreement unless we make sure that the benefits of pay policy and a more stable exchange rate feed through into higher prices in the shops. So we intend to prevent any unreasonable position last year, as the price of primary commodities rose to a level above that of 1976. Nevertheless, their imports are likely to be held back by financing problems and the need to rebuild their reserves.

"The most disturbing feature of the world scene is that over the last two or three years every major industrial country has seen its unemployment level rising well beyond what has been regarded in the post-war world as the limit for a well-managed economy.

"At the end of 1976 there were estimated to be 15 million unemployed in countries of the OECD, an average unemployment level of over 5 per cent. "For the year ahead, Europe at least can expect little if any



The Chancellor strolls... cameras click outside 11, Downing Street as he leaves for the Commons.

slow North Sea oil, and an increase in visible and invisible exports all of which will substantially improve the balance of payments. Our current account deficit, which has been running at an annual rate of a little over £1.5bn. in the last six months, should be progressively eliminated and we have good prospects of a healthy surplus in 1978.

"The foreign exchange markets have been much more stable everywhere this year. The stability of sterling has been partly due to the December measures and the IMF agreement, and also to the reassurance offered by the recent new agreement on the sterling balances, for which we are grateful to our central bank partners. Sterling has also been helped by the repayment of the sterling loans made to finance trade between third countries, which I took measures to stop late last year.

"I am now proposing to strengthen our exchange control powers over the raising of sterling finance by companies resident in the U.K. but controlled by non-residents.

"The reserves are now at a much more satisfactory level. Provided we secure and maintain a balance of payments surplus, we can begin to repay overseas debt. Until this repayment is safely under way, our domestic economic policies will be subject to constraints. I made it clear in the context of the agreement on the sterling balances that I do not intend to rely on sterling inflows on private account as a means of financing the remaining deficits. So I have continued to borrow on a secure medium-term basis, in order to improve the overall pattern and level of reserve assets in relation to the debt structure. But I do not expect this type of borrowing to be necessary much longer.

"It is a most welcome change to be speaking to the House about the prospect of repaying debt rather than reviewing the prospect for getting more overseas financing.

Level of reserves

"The outlook for the monetary aggregates has shown a significant improvement. Domestic credit has expanded very little in the last six months, and in the year to mid-April 1977 its expansion is now expected to be only about half that allowed for by the ceiling of £8bn. in the letter of intent. In my December statement, I said that I expected the associated growth of sterling M3 to be between 9 and 13 per cent. With the much lower expansion of domestic credit, the growth of sterling M3 will now be at or below the bottom end of the range.

"Finally, the public sector borrowing requirement has fallen. The total for the financial year now estimated at £3.5bn. but it will be some months before we know it for certain. We know very little yet about public borrowing in the last three months of the year apart from that of central government itself. The reasons for this downward revision from the forecast in the letter of intent to the IMF and discussed in the financial statement and Budget report. Some of the effects carry through to the forecast for 1977-78.

"The estimates now suggest that if present policies were continued, the PSBR for the next financial year would be about £7.5bn., about £1.25bn. lower than the figure of £8.7bn. agreed as a ceiling with the IMF. This improvement is mainly due to better prospects for employment, interest rates and the exchange rate since the December measures.

"The forecast for 1977-78 takes account of the intention, which I announced in December, to sell an amount of BP stock which will leave the total of the Government's and the Bank's holdings at 51 per cent, more than we held before the Bank acquired the ex-Burmah shares. This sale will go ahead in 1977-78, and in framing my Budget proposals I have made full use of the room for manoeuvre which it will give me.

"Since there is still the im-

pediment of Barmah's claim against the Bank of England, the Government will sell part of its own holding. In the expectation, based on strong legal advice about the merit of the Barmah claim, that we shall in due course be able to consolidate the 51 per cent holding by securing the transfer to the Treasury of the stock now held by the Bank.

Medium term

"I turn now to our prospects in the medium term. The immediate situation provides a solid foundation on which we can build a return to full employment and a steadily improving standard of life.

"Whether we achieve these objectives, and how fast, will depend partly on improvements in our own economic behaviour, partly on developments in the world economy. None of the improvements we need is impossible, but none is certain either. All depend on acts of will.

"First, our trading performance. We must not only eliminate our balance of payments deficit but also earn substantial surpluses, so that we can start repaying our accumulated international debt while still maintaining adequate reserves. That is the pre-condition for restoring our economic

independence and making ourselves less vulnerable to external shocks.

"With the help of North Sea oil we should earn a surplus next year. But this will be when our economy is still operating well below capacity. Our aim must be to earn a balance of payments surplus in conditions of full employment.

"The growing output of North Sea oil will not be sufficient to achieve this. The return to full employment must depend primarily on increasing our industrial investment and our net exports of industrial goods.

"The world-wide explosion of inflation in recent years has led most Governments to pursue exceptionally cautious demand policies; and in many countries there is no easy way of combining higher levels of activity and employment with a further fall in inflation.

"So the leading countries must work together in seeking ways of improving the prospects of the world as a whole. The Prime Minister and I will be pressing for this over the next two or three months—in the European Community, in the IMF and at the Downing Street summit.

"If the stronger economies increase domestic demand and reduce their external surpluses, they would help greatly to sustain activity in the world as a whole. President Carter has recently given his support to the views of the OECD and IMF in this regard.

"On the other hand, countries with higher inflation rates and weaker balance of payments positions face more painful adjustments. They will need time to adjust their economies to the many shocks they have suffered over the last few years. In particular they will need access to adequate financial resources so that they are neither forced unnecessarily to devalue their economies nor tempted into trade restrictions. Either of these courses would be damaging to the world as a whole. This will be a major topic

of my speech at the present

decision break away from the restrictive pattern of present circumstances and post-war adjustments.

Cutting inflation

"The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour. We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.

"Despite the deterioration in our inflation rate since last summer, we now have a chance of getting near that aim by the end of the next pay round.

"The recent increase in prices, despite the strict observance of the pay policy, reflects the operation of a vicious circle we have seen more than once in recent years. "Even in a period when pay increases are limited, there can be a sharp fall in the exchange rate as a result of excessive pay increases in an earlier period. This fall robs us of the full price benefits which we hoped to gain from pay policy.

"And if the resulting disappointment makes it difficult to continue pay policy, it threatens us with a further fall in the exchange rate later on. I believe this time we can make a decisive break in the vicious circle and

should be faced with a choice between a devaluation which throws men and women out of work or a depreciation which raises prices.

"On the world economy, Mr. Healey said that other countries had found difficulty, like Britain, in achieving all their various economic objectives at the same time.

"At the moment, a significant improvement is required in the outlook for the world economy if any of us are to achieve our national aims in full.

"The world-wide explosion of inflation in recent years has led most Governments to pursue exceptionally cautious demand policies; and in many countries there is no easy way of combining higher levels of activity and employment with a further fall in inflation.

"So the leading countries must work together in seeking ways of improving the prospects of the world as a whole. The Prime Minister and I will be pressing for this over the next two or three months—in the European Community, in the IMF and at the Downing Street summit.

"If the stronger economies increase domestic demand and reduce their external surpluses, they would help greatly to sustain activity in the world as a whole. President Carter has recently given his support to the views of the OECD and IMF in this regard.

of my speech at the present

duct design, higher quality and greater reliability, allied to better salesmanship, delivery and servicing arrangements. In the longer run it is only by doing better in these aspects of competitiveness that we shall win and maintain an increased share of home and foreign markets. And only through increasing our market share will we have a secure prospect of a return to sustained employment and rising living standards.

Access to finance

"British industry must respond better to economic opportunity in future than it has in the past. "That is why in the industrial strategy we have embarked on a joint effort to improve industrial management, involving the Government and are concentrating on manufacturing industry. This will take time, but it is already achieving results and we are determined to carry it through.

"Each of the three improvements we need in our economic behaviour depends on the other two. For example, if our industrial performance fails to improve, our balance of payments

will deteriorate, and then we should be faced with a choice between a devaluation which throws men and women out of work or a depreciation which raises prices.

"On the world economy, Mr. Healey said that other countries had found difficulty, like Britain, in achieving all their various economic objectives at the same time.

"At the moment, a significant improvement is required in the outlook for the world economy if any of us are to achieve our national aims in full.

"The world-wide explosion of inflation in recent years has led most Governments to pursue exceptionally cautious demand policies; and in many countries there is no easy way of combining higher levels of activity and employment with a further fall in inflation.

"So the leading countries must work together in seeking ways of improving the prospects of the world as a whole. The Prime Minister and I will be pressing for this over the next two or three months—in the European Community, in the IMF and at the Downing Street summit.

"If the stronger economies increase domestic demand and reduce their external surpluses, they would help greatly to sustain activity in the world as a whole. President Carter has recently given his support to the views of the OECD and IMF in this regard.

of my speech at the present

of my speech at the present

of my speech at the present

at the meeting of the Interim Committee of the IMF in Washington next month. "Many countries also need to achieve higher investment. As the Prime Minister made clear in Rome last weekend, we are exploring with our European partners the scope for cooperative efforts to stimulate investment and to maintain the field of youth employment. I look forward to the opportunity to review with our Community partners our plans for fighting unemployment. We will stick firm in further tripartite conferences with Governments, trade unions and employers before the end of the year.

"This is the background against which I face my main task in this Budget—to consolidate the gains we have made so far and to create the conditions in which we can get our rate of inflation down and make the necessary improvements in our industrial and trading performance.

"I have emphasised many times over the past few months that all these objectives will require some reduction in the burden of income-tax. The representations I have received have been unanimous in advocating this. Both the TUC and the CBI have argued that substantial reductions in income-tax are needed both to make it easier to agree on a satisfactory pay policy and to assist our industrial strategy. The sector working parties have reinforced these arguments by pressing for improvements in the structure of the income-tax. I have established at all levels of industry incentives to help people throughout the country make the same view.

"The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour. We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.

"Despite the deterioration in our inflation rate since last summer, we now have a chance of getting near that aim by the end of the next pay round.

Reducing tax

"The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour. We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.

"Despite the deterioration in our inflation rate since last summer, we now have a chance of getting near that aim by the end of the next pay round.

"The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour. We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.

"Despite the deterioration in our inflation rate since last summer, we now have a chance of getting near that aim by the end of the next pay round.

"The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour. We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.

"Despite the deterioration in our inflation rate since last summer, we now have a chance of getting near that aim by the end of the next pay round.

"The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour. We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.

"Despite the deterioration in our inflation rate since last summer, we now have a chance of getting near that aim by the end of the next pay round.

"The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour. We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.

"Despite the deterioration in our inflation rate since last summer, we now have a chance of getting near that aim by the end of the next pay round.

"The necessary improvement in our trading performance depends in turn on a second improvement in our economic behaviour. We must bring down our rate of inflation to that of our principal trading rivals and keep it at that level.

Meas on jc

"The Government is essential to make the totals already further measures unemployment. The have already achieved intentions and have made a bulion to the ment in unemploy-

"But although a welcome fall in the last two years, many people are work and it is concluded that the changed.

"The Secretary Employment annu of measures on M to extend traini results at great On his advice, he has decided to sur measures substanc

Disa worl

"In addition, I proposes four un- met, out of the will be a selecti- fous scheme for incentive for engage disabled. I am also decid- ing £30 a week for a child per-

"The scheme is tered by the Mar Commission. W might dip below people in 1977/78.

"Second, there programme. The agreement on pay policy can be reached, although I would not seek to minimise the difficulties.

"I am recommending to the House in the Budget Resolutions which are being tabled today that the £500m. net revenue in a full year.

"The £500m. package will take effect immediately. When I expect a satisfactory agreement is reached in the coming months, we will bring forward the House further proposals which will cost some £1bn.

"The combined effect of both parts of the Budget will thus be to reduce the revenue by about £1.5bn. in a full year and to bring the PSBR for 1977/78 to a new forecast level of some £5.5bn. This is within the ceiling of £6.5bn. agreed with the IMF.

"It is not sufficiently recognised that the first year PSBR effect of a net reduction in tax is less than the full year revenue effect, partly because some of the revenue effect falls beyond the first year. It is partly because the resulting rise in activity cuts un-

employment, and raises tax receipts.

"Thus the measures I am proposing will affect the PSBR next year by only two-thirds of their full year revenue effect.

"A fiscal stimulus of this size will be fully consistent with maintaining the improvement in industrial markets. In order to keep firm control of any inflationary pressures, I intend that domestic credit expansion in the coming year should be safely within the limit of £7.7m. I set in December.

"The accompanying rate of growth of sterling M3 will depend on a number of factors, particularly in the balance of payments. Since a surplus has the effect of expanding money supply.

"Although we expect a much better balance of payments next year, my best estimate is that the growth of sterling M3 will be in the range of 9 per cent to 13 per cent—the same as the estimate I gave in December for 1976-77. I intend to maintain this degree of control over the monetary aggregates. I intend that we should again finance a major part of the PSBR outside the banking system.

"I have already made a start with last week's gilt stocks, and will also be bringing the present degree of credit controls, and in particular the flexible, to the world as a whole. This will be a major topic

War

H lo

Disa worl

Top pro

Int cit

29 Mar

Tables 19 published April

Contin next

Details of proposed tax changes

What income tax changes mean

Married couples with two children not over 11-income all earned

Income before receipt of child benefit	Family allowance and income tax charge for 1976/77			Child benefit and proposed income tax charge for 1977/78 after initial changes only			Child benefit and proposed income tax charge for 1977/78 after all changes			Increases in net income after all changes
	Family allowance	Income tax	Net income*	Child benefit	Income tax	Net income*	Income tax	Net income*		
£	£	£	£	£	£	£	£	£	£	
1,500	78	0.00	1,578.00	130	0.00	1,630.00	0.00	1,630.00	52.00	
2,000	78	155.75	1,922.25	130	143.15	1,988.85	134.97	1,995.03	72.78	
2,500	78	330.75	2,247.25	130	318.15	2,311.50	299.97	2,330.03	82.78	
3,000	78	505.75	2,572.25	130	493.15	2,636.85	464.97	2,665.03	92.78	
3,500	78	680.75	2,897.25	130	668.15	2,962.85	629.97	2,990.03	102.78	
4,000	78	855.75	3,222.25	130	843.15	3,288.85	794.97	3,315.03	112.78	
4,500	78	1,030.75	3,547.25	130	1,018.15	3,614.85	959.97	3,640.03	122.78	
5,000	78	1,205.75	3,872.25	130	1,193.15	3,940.85	1,124.97	4,005.03	132.78	
6,000	78	1,555.75	4,522.25	130	1,543.15	4,586.85	1,454.97	4,675.03	152.78	
7,000	78	1,928.00	5,150.00	130	1,893.15	5,236.85	1,784.97	5,345.03	195.03	
8,000	78	2,375.25	5,702.75	130	2,263.60	5,866.40	2,143.60	5,984.40	283.65	
9,000	78	2,872.50	6,205.50	130	2,684.05	6,445.95	2,564.05	6,545.95	366.45	
10,000	78	3,419.75	6,682.25	130	3,154.50	6,975.50	3,034.50	7,095.50	437.45	
15,000	78	6,661.50	8,416.50	130	6,115.85	9,014.15	5,995.85	9,134.15	717.65	
20,000	78	10,333.75	9,744.25	130	9,704.75	10,423.25	9,586.75	10,543.25	799.00	
25,000	78	14,359.35	10,718.25	130	13,649.47	11,480.53	13,529.47	11,600.53	882.28	

Single persons—income all earned

Income	Charge for 1976/77			Proposed charge for 1977/78 after initial changes only			Proposed charge for 1977/78 after all changes			Reduction in tax after all changes
	Income tax	Percentage of total taken in tax	Marginal rate	Income tax	Percentage of total taken in tax	Marginal rate	Income tax	Percentage of total taken in tax	Marginal rate	
£	£	%	%	£	%	%	£	%	%	£
800	22.75	2.8	35.0	0.00	0.0	0.0	0.00	0.0	0.0	22.75
900	57.75	4.4	35.0	33.24	3.7	35.0	31.35	3.5	33.0	26.40
1,000	92.75	9.3	35.0	68.25	6.8	35.0	64.35	6.4	33.0	28.40
1,500	267.75	17.9	35.0	243.25	16.2	35.0	229.35	15.3	33.0	38.40
2,000	442.75	22.1	35.0	418.25	20.9	35.0	394.35	19.7	33.0	48.40
2,500	617.75	24.7	35.0	593.25	23.7	35.0	559.35	22.4	33.0	58.40
3,000	792.75	26.4	35.0	768.25	25.6	35.0	724.35	24.1	33.0	68.40
3,500	967.75	27.6	35.0	943.25	26.9	35.0	889.35	25.4	33.0	78.40
4,000	1,142.75	28.6	35.0	1,118.25	28.0	35.0	1,054.35	26.4	33.0	88.40
4,500	1,317.75	29.3	35.0	1,293.25	28.7	35.0	1,219.35	27.1	33.0	98.40
5,000	1,492.75	29.9	35.0	1,468.25	29.4	35.0	1,394.35	27.7	33.0	108.40
6,000	1,856.00	30.9	40.0	1,818.25	30.3	35.0	1,714.35	28.6	33.0	141.65
7,000	2,294.25	32.8	45.0	2,178.00	31.1	40.0	2,058.00	29.4	40.0	236.25
8,000	2,782.50	34.8	50.0	2,587.75	32.3	45.0	2,467.75	30.8	45.0	314.75
9,000	3,320.75	36.9	55.0	3,047.50	33.9	50.0	2,927.50	32.5	50.0	393.25
10,000	3,909.00	39.1	60.0	3,557.25	35.6	55.0	3,437.25	34.4	55.0	471.75
15,000	7,235.50	48.2	70.0	6,636.50	44.2	70.0	6,516.50	43.4	70.0	719.00
20,000	10,948.75	54.7	75.0	10,296.25	51.3	75.0	10,176.25	50.9	75.0	772.50
25,000	15,039.95	60.2	83.0	14,301.85	57.2	83.0	14,181.85	56.7	83.0	858.10

Income up to £140 a week

Income per week	Charge for 1976/77			Proposed charge for 1977/78 after initial changes only			Proposed charge for 1977/78 after all changes			Reduction in weekly income tax after all changes
	Weekly income tax	Percentage of total income taken in tax	Marginal rate	Weekly income tax	Percentage of total income taken in tax	Marginal rate	Weekly income tax	Percentage of total income taken in tax	Marginal rate	
£	£	%	%	£	%	%	£	%	%	£
16 (£ 832pa)	0.65	4.1	35.0	0.78	1.1	35.0	0.77	1.1	33.0	0.48
18 (£ 936pa)	1.35	7.5	35.0	0.88	4.9	35.0	0.83	4.6	44.0	0.52
20 (£ 1,040pa)	2.05	10.3	35.0	1.58	7.9	35.0	1.49	7.5	33.0	0.56
25 (£ 1,300pa)	3.80	15.2	35.0	3.33	13.3	35.0	3.14	12.6	33.0	0.66
30 (£ 1,560pa)	5.55	18.5	35.0	5.08	16.9	35.0	4.79	16.0	33.0	0.76
35 (£ 1,820pa)	7.30	20.9	35.0	6.83	19.5	35.0	6.47	18.4	33.0	0.86
40 (£ 2,080pa)	9.05	22.6	35.0	8.58	21.5	35.0	8.09	20.2	33.0	0.96
50 (£ 2,600pa)	12.55	25.1	35.0	12.08	24.2	35.0	11.39	22.8	33.0	1.16
60 (£ 3,120pa)	16.05	26.8	35.0	15.58	26.0	35.0	14.69	24.5	33.0	1.36
70 (£ 3,640pa)	19.55	27.9	35.0	19.08	27.3	35.0	17.99	25.7	33.0	1.56
80 (£ 4,160pa)	23.05	28.8	35.0	22.58	28.2	35.0	21.29	26.6	33.0	1.76
90 (£ 4,680pa)	26.44	29.5	35.0	26.08	29.0	35.0	24.59	27.3	33.0	1.96
100 (£ 5,200pa)	30.05	30.1	35.0	29.58	29.6	35.0	27.89	27.9	33.0	2.16
120 (£ 6,240pa)	37.54	31.3	45.0	36.58	30.5	35.0	34.89	28.7	33.0	3.05
140 (£ 7,280pa)	46.58	33.3	50.0	44.03	31.5	40.0	41.73	29.8	40.0	4.85

ADVANCE CORPORATION TAX

Concessions may be granted later

THE INLAND REVENUE issued a statement on advance corporation tax and tax credit after the Chancellor had completed his speech.

It stated: The rate of advance corporation tax (ACT) for the financial year 1977, ending March 31, 1978, continues at 35/65ths of the dividend.

The Chancellor of the Exchequer, however, announced that he would reduce the basic rate of income tax from 35 per cent. to 33 per cent. when a satisfactory agreement on a new pay policy had been reached.

Subject to the agreement of Parliament, the rate of ACT would then be reduced to 33/65ths. Guidance will be issued at the time, but it may be helpful to say now what the general effect will be.

Until the change, companies will continue to pay ACT at the rate of 35/65ths. Even when the rate is changed, the old rate, 35/65ths, will continue to apply in respect of qualifying distributions made in the period April 1 to 5, 1977, inclusive (section 103(6), Income and Corporation Taxes Act 1970). However, when the rate is changed, the new rate will apply with effect on and after April 6, 1977. Any company which pays ACT at the rate of 35/65ths in respect of a qualifying distribution made on or after April 6, 1977, will be entitled to repayment of the difference between ACT at 35/65ths and ACT at 33/65ths.

The rate of "tax credit" attached to a dividend is the same as that of the ACT in respect of it. The "tax credit" therefore will also change with effect on and after April 6, 1977.

VALUE ADDED

Amendments comply with EEC obligations

THE Customs and Excise yesterday issued the following statement:

The financial statement and Budget report, published on the occasion of the Budget, announced the Chancellor of the Exchequer's intention to propose amendments to the law relating to value added tax. These amendments in particular will enable the United Kingdom to comply with obligations resulting from the European Community.

Following a meeting of the Council of Ministers on March 22, a common position has now been reached in the Council on the proposed Sixth Directive on VAT. The Directive, which remains subject to confirmation by the European Parliament, is designed to harmonise the basis of assessment of VAT (that is, its scope, method of operation and exemptions). If the Directive is agreed to by the European Parliament it is intended to include appropriate legislation in the Finance Bill. Implementation of the Directive in the Member States would enable them to set up a common system of VAT based on the principle of a harmonised VAT base. This part of the Directive would replace the previously calculated reference to the GNP base.

The amendments that would be required in U.K. legislation would not entail any major change in the structure of the tax and would be mainly technical in nature. Their effect on the revenue from VAT would be negligible.

Consumers disappointed

THE National Consumer Council said the amount of direct tax cuts was roughly what it had asked for.

"We are disappointed that the Chancellor will take back some of his money by increases in indirect taxes, thus putting nearly 1 per cent. on the cost of living and we are sorry that the Chancellor did not choose to use his tax cuts to attack the poverty trap more directly by having a special low rate of tax on the first £500 of taxable income," it added.

Mr. Tim Simon, chairman of the Unit Trust Association, said that he was very disappointed that nothing had been done to encourage savings and investment. There was not a single mention of investors and savers effect on and after April 6, 1977.

Estimated effects

The effects shown are direct effects; that is, the difference between the yields of pre-Budget and post-Budget tax rates at the same levels of income and activity. The expenditure tax figures do, however, allow for the effects of relative price changes on the composition of consumers' expenditure.

	Forecast for 1977-78	Forecast for a full year
INLAND REVENUE		
Income tax		
INLAND REVENUE		
INCREASE IN SINGLE ALLOWANCE BY £70 AND IN MARRIED ALLOWANCE BY £160		
INCREASE IN ADDITIONAL PERSONAL ALLOWANCE BY £70		
INCREASE IN AGE ALLOWANCE BY £70 (SINGLE)		
INCREASE IN RETIREMENT ANNUITY PAYMENT THRESHOLDS		
EXTENSION OF BASIC RATE BAND TO £8,000		
CHANGES IN HIGHER RATE BANDS		
REDUCTION OF 2p IN BASIC RATE		
INCREASE IN INVESTMENT INCOME SURCHARGE		
INCREASE IN RETIREMENT ANNUITY PAYMENT THRESHOLDS		
INCREASE IN EXEMPTION LIMIT FOR SAVINGS BANK INTEREST		
CHANGES IN TREATMENT OF FOREIGN EARNINGS		
CHANGES IN TREATMENT OF ANNUITIES		
CORPORATION TAX		
DECREASE IN RATE OF ACT TO 33/65THS OF THE AMOUNT OF THE DIVIDEND		
INCREASE IN LIMIT FOR SMALL COMPANY RELIEF		
TOTAL INLAND REVENUE		
-1,830 -2,318		

CUSTOMS AND EXCISE

Value added tax	Alterations in revenue duty rates	Amendments to value added tax legislation	Revenue duties
Consolidation of surcharge on alcoholic drink and tobacco duties			
Increase in rate of road fuel duty			
Increase in effective rate of duty on rebated oil			
Increase in tobacco products duty			
TOTAL CUSTOMS AND EXCISE			
+ 123 + 140			

VEHICLE EXCISE DUTY

Increases in rates	NATIONAL INSURANCE SURCHARGE
Charities	
Total	
-1,849 -1,507	

↑ Increases subsequent liabilities to mainstream corporation tax. * These proposals will be implemented when a satisfactory agreement on a new pay policy is reached. † In addition, Bus Fuel Grants will be increased by £9 million.

Central Government transactions

	1976-77	1977-78	£ million
Budget Estimated			
Forecast			
Outturn			
Before Budget			
After Budget			
Changes			
Changes			
CONSOLIDATED FUND			
Revenue			
Expenditure			
Deficit			
NATIONAL LOANS FUND			
Consolidated Fund			
deficit (as above)			
Other transactions:			
Receipts			
Payments			
Total net borrowing by the National Loans Fund			
Other funds and accounts (net)			
CENTRAL GOVERNMENT BORROWING REQUIREMENT			
-10,426 -5,830 -5,901 -6,859			

of the scheme to phase

of the scheme to phase tax allowances and relief by child benefit, it is to reduce the child's allowance by £104 for first or second child, and by £130 for third child, from the levels of £300 for each over 11, £335 for each over 11 but not over 16, and £370 for each over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for children living with their parents and children living with their grandparents. Child benefit will be increased to £370 for each child over 11 but not over 16, and £405 for each child over 16. The allowances will be £261 respectively for children under 11, £295 for children over 11 but not over 16, and £330 for children over 16. Transitional arrangements are proposed for

THE BUDGET

OVERSEAS RESIDENTS

Tax changes for people who work abroad

A STATEMENT from the Inland Revenue after the Chancellor had set out the details of the changes in the tax treatment of overseas residents...

VEHICLES EXCISE

Duty on a car up 25% to £50 -dearer cycles and tractors

THE TREASURY issued the following statement last night on vehicle excise duty...

The following tables contain specimen rates of duty proposed for the main classes of vehicle.

GREAT BRITAIN AND NORTHERN IRELAND

Table with columns: Description of vehicle, Annual Rates, Present, Proposed. Includes Motor Cars, Motor Cycles, Hackney Carriages, Agricultural Machines.

GREAT BRITAIN

Table with columns: Description of vehicle, Annual Rates, Present, Proposed. Includes Farmers' Goods, General Goods.

INCOME TAX

Arrangements for adjusting PAYE tax codes

IN A NOTICE after the Chancellor's speech, the Inland Revenue explained the arrangements for putting the income tax changes into effect through PAYE.

Increases in the Single, Married, Wife's Earnings and Age Allowances...

Special codes

Some people have special PAYE codes, for example, codes beginning with F or ending in T, which will have to be reviewed...

in obtaining board and lodging there. From 1977-78, they will be able to claim relief in respect of such expenses in the same way as if their employment were normally carried out in the United Kingdom.

From 1977-78, where an employee is working abroad for a period of at least two months, the reimbursement by an employer of the expenses incurred by his or her spouse and children in travelling to the country where the employee is working and back again, whether in his or her company or separately, will be tax free...

As far as possible, the deductions will be taken into account for PAYE. When the Finance Bill has received Royal Assent employers will be authorised to give the relief with effect from the beginning of the tax year.

CHILD ALLOWANCES

Introducing tax-free benefits

THE Inland Revenue issued a notice last night on the effects of reducing child tax allowances and introducing tax-free child benefits.

The proposed reductions in child allowances for 1977-78 (£104 for first children and £130 for subsequent children) will be dealt with in the forthcoming Finance Bill...

For the great majority of families (namely for taxpayers paying tax at the basic rate whose child or children are entitled to child benefit) the effect will be that the father's pay packet will go down by 30p per week...

The other changes in personal allowances announced by the Chancellor in his Budget include an increase of £140 in the married allowance...

TOBACCO, Increased revenue

AFTER the Chancellor's speech, the Customs and Excise put out a statement on tobacco duty. It said: In his Budget, the Chancellor announced increases in the rates of tobacco products, duty on cigarettes and handrolling tobacco.

The effect of these increases, which will come into force on April 4, 1977, will be to raise the total tax burden (inclusive of VAT) on a packet of 20 cigarettes, irrespective of size, or a ounce of handrolling tobacco, by 4p.

The increase on cigarettes will be by way of a flat rate of duty applied to all cigarettes, whether filter tipped or plain and without regard to size.

It is estimated that the revenue yield from the increased taxation on cigarettes and handrolling tobacco (including the additional yield of VAT) will be £150m. in a full year.

The Budget also confirms the surcharges imposed in the measures the Chancellor introduced on December 15, 1976:

- (a) the 10 per cent. surcharge on the 10 per cent. increase in the rate of tobacco products duty which came into effect on December 15, 1976, will be replaced with effect from March 30, 1977, by an increase of £0.585 per lb in the substantive rates of these duties so as broadly to maintain their existing surcharge-inclusive rates;

Contrary to the normal trends at this phase of the business cycle, productivity appears to have hardly risen at all over the last six months to a year and companies seem to blame this largely on the incentive issue.

Forecasts of Expenditure, Imports and Gross Domestic Product

Table with columns: Public expenditure on goods and services, Imports, Gross Domestic Product. Includes data for 1974-1977 and percentage changes.

* All figures are based on "compromise" estimates of gross domestic product. Discrepancies between compromise estimates have been added to stockbuilding. Note: Figures in £m. are rounded to £50m. Percentage changes are unrounded levels in m. and then rounded to 1 per cent. The GDP index in the final column is calculated from 1970=100.

REACTIONS

Tax cut incentive 'insufficient for middle management'

THE CONFEDERATION of British Industry, the London Chamber of Commerce and other business organisations predictably reacted to the Budget statement yesterday with some disappointment that more extensive income tax cuts had not been made, particularly for the higher paid.

Higher paid

Even without reduction in higher rate tax bands, there was a feeling that the conditions elements of the package (the raising of bands and greater allowances) benefited middle management and the higher paid relatively more than others.

The CBI - many of whose concepts had been accepted by the Treasury - called the Budget a "step in the right direction" which would give some encouragement to managers who have been among the hardest hit in the last few years.

Other organisations, particularly those representing executives, were harsher. Mr. Jan Hindrich, director-general of the Association of British Chambers of Commerce said that the Chancellor had "erred on the side of caution" in the event he has not even done enough to turn his unwarranted promise of a "step in the right direction" into reality.

Mr. Joel Barnett, chief secretary to the Treasury, said yesterday in answer to a Parliamentary question that transitional arrangements are to be made for parents of students whose child tax allowances are being reduced and who cannot benefit from adjustments to parental contribution scales.

In his written answer, he said: "The Government does not consider that it would be right to retain child tax allowances on a permanent basis for any parents of students when child tax allowances are being phased out."

'A step'

But both the British Institute of Management and the London Chamber of Commerce cautiously greeted the Budget as a "step in the right direction," although expressing the view that it should have gone further.

To a surprising degree, small and large companies have supported the idea of a further period of tight wage restraint, in spite of the pressures that the phase III agreement is already coming under.

Less directly, a number of business leaders have also been anxious for a reduction in tax in order to boost productivity during the upturn-through a restoration in incentives.

Economic prospect mid-1978

Output and expenditure at constant prices. Per cent. changes, first half 1977 to first half 1978.

Table with columns: Output and expenditure at constant prices, Public Sector Borrowing Requirement, Financial Year 1976-77, Financial Year 1977-78.

Tobacco trade critic of new blow to sale

THERE WERE predictably strong reactions against the Budget: from the motoring organisations and the cigarette manufacturers, but the Retail Consortium said the package would have a "generally neutral effect" on retail trade.

Mr. Healey's additional relief to small businesses through the raising of the floor for full-rate corporation tax, on the other hand, seems to have come as more of a surprise and has been generally welcomed.

CHILD TAX Transitional measures for parents

MR. JOEL BARNETT, chief secretary to the Treasury, said yesterday in answer to a Parliamentary question that transitional arrangements are to be made for parents of students whose child tax allowances are being reduced and who cannot benefit from adjustments to parental contribution scales.

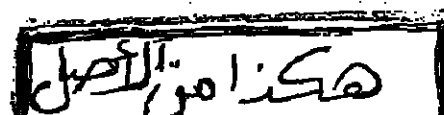
Food prices

The Retail Consortium warned last night that the increase in petrol and duty tax and the raising of the heavy lorry tax would lead to higher distribution costs and put further pressure on food prices.

Petrol pumps

The Motor Agents Association said that some petrol pumps would have to change to half-price displays, because the intricate pump mechanism could not cope with the speed at which the delivery and pricing dials would have to double the price shown.

of comp to r ensic SMAL small Fram Glamo



THE BUDGET

THE MOTOR INDUSTRY AND FUEL TAXES

Day of the £1 gallon draws nearer

DAY of the £1 a gallon rate for domestic heating kero-

are a large number of competing petrol stations, companies

price rise. As of today the rate of duty will almost match the actual

and selling price of petrol in other EEC countries is still

Motor companies undismayed

COULD be a faint hope that the motor industry will

The motor industry's low key response to the Chancellor's

Operators have argued vigorously that goods vehicles

and selling price of petrol in other EEC countries is still

TOBACCO

Need to review marketing strategies

as ensuring that the cigarette market will be dominated

concentrated in the king-size sector but affecting the smaller

though cigars seem to be slightly better off as their im-

varieties. At the same time there was an increase in sales

Extension of a successful system

ION OF the cash limits system has been extended to

into an operational instrument. Only in a few instances have

September 1975, after experience had been gained of oper-

catch the raising of cash by means which are not technically

SMALL SAVERS

Some small concessions

Healey assumed the mantle in 1974, threshold for the over 65s

investment income of £1,500 or more and £75 for the over 65s

Clearly, the new system could be developed further still—such

seemed to be distracted from last year, do not seem to be re-

Table with 2 columns: Income level, Percentage concession

COMPANY TAXATION

Help for smaller companies

A FIRM commitment to retain the existing system of stock

preferential rate. It will rise from £30,000 to £40,000.

and consultation on a permanent scheme—the implications

Heavy lorries

IT WAS clear from the Chancellor's speech that operators of

pected compromise with the EEC on maximum lorry

CURRENCY LOSSES

The system wins

THE CHANCELLOR has not been able to give relief on

announced that since he must concentrate on income tax

purpose of lending in the ordinary course of business

CONSTRUCTION

Only a little relief

THE CONSTRUCTION industry was unimpressed with the

The National Federation of Building Trades Employers

reclamation of derelict inner urban areas. This sort of work

EXCHANGE CONTROL

Closing a loophole

AN ADDITION to the Government's armoury of defence

catch the raising of cash by means which are not technically

companies. However, just as such borrowing is, in practice,

EDUCATION

Drive for specialist teachers

THE GOVERNMENT hopes to train up to 1,500 extra people

seemed to be distracted from last year, do not seem to be re-

last year, do not seem to be regarded as the prime source

TRANSPORT DEVELOPMENT GROUP IN 1976

- Profit for the year before tax £14.76 million compared with £12.12 million in 1975.
- Net capital expenditure totalled £15 million.
- Road haulage companies busier and more profitable than in the previous year. Replacement programme activated to ensure fleets maintain a sensible balance between old and new.
- Warehousing companies bore the brunt of the recession; distribution services continued to grow in importance.
- Exceptional weather produced problems for cold store operators particularly those engaged in fruit and vegetable processing, but results satisfactory.
- Acquisition of H. Cox & Sons (Plant Hire) Limited widened and enlarged existing interests in plant hire.
- Fall in demand for steel reinforcement but Square Grip expanded sales operations overseas.
- Great improvement in results of Dutch subsidiaries. German holding company formed and acquired transport and storage undertaking at Würzburg.
- Profits of Australian companies increased. Two Australian transport concerns acquired.
- So far profits for 1977 are ahead of those for the previous year.

Full report and accounts available from the Secretary, Transport Development Group Ltd., Kingsgate House, 66-74 Victoria St., London SW1E 6SR

	1973	1974	1975	1976
Sup income £'000	96,516	119,344	129,354	160,547
Profit before tax £'000	12,236	13,556	12,122	14,760
Assets £'000	63,932	68,764	78,209	90,068
Profit to income %	12.68	11.36	9.37	9.19
Profit to assets %	24.21	24.54	19.85	21.06
Net capital £'000	32,032	32,032	32,032	35,052
Dividend (adj.) %	8.77	9.72	10.38	11.41

Stone Platt expenditure outlook for 1977

SUBSTANTIAL increases in capital expenditure are planned at Stone-Platt Industries but Mr. F. G. Hawkins, chairman, warns that this must remain dependent on the company's continuing ability to generate adequate profits and cash.

The accounts for 1976 show the future capital expenditure of £2.45m. (£2.85m.) of which £1.27m. (£1.2m.) has been committed.

A statement of source and application of funds shows that cash balances increased by £1.99m. (£5.0m.) and loans increased by £2.7m. (£3.7m.) cash and short-term investments increased from £3.47m. to £15.64m., and debentures and other loans from £19.77m. to £24.41m.

In his annual statement Mr. Hawkins said his earlier report that demand is still erratic and the level of activity in many plants is still well below the optimum. Further progress is planned in 1977 but this will depend on continuing improvement in the level of world trade.

The company foresees continuing growth in the years ahead for each of its main products.

In their report, the auditors, Price Waterhouse and Co., say that the consolidated accounts of two American subsidiaries prepared on the basis of the "last in first out" method of accounting for inventories which is a requirement for obtaining the taxation advantages available to companies adopting that method in the U.S. The last in first out method of valuation is an accounting method not generally accepted under the U.K. statement of standard accounting practice number 9. The effects on the profit for the period and retained reserves are not given as to do so may prejudice the tax position in the U.S., they add.

comment

The feature of Stone-Platt's accounts is a 15 per cent. (7.5m.) drop in net working capital during a year in which sales rose by 22 per cent. This much improved ratio, which apparently is sustainable, works straight through to the group's cash balances, since spending on fixed assets and acquisitions have been more or less covered by net-cash flow. The result is that net short term borrowings of £4.8m. have been replaced by net cash of £2.2m., and the equivalent of 23 to 18 per cent. of shareholders' funds. So there should be no problems about financing the group's plans for further expansion.

Statement Page 29

WEIR GROUP

A new company, Weir Alloy Products, has been created by the foundation of the Weir Group to specialise in the design and marketing of ground engaging tools and equipment, particularly the products of Esco Corporation of Portland, Oregon, which are manufactured under

licence by Weir Group foundries and used internationally by the construction and mining industries.

The Weir Group's specialist manufacturer of hydraulic and pneumatic sealing systems and oilfield rubber consumables will in future be known as Weir Polypac.

The continental sealing system companies, Polypac SPA of Livorno, Italy, and Polypac SA of Saint Priest, France, will continue to trade under their existing names.

over. Apart from being a seasonal factor, this reflects the underlying trend plus some exceptional expenses incurred in streamlining parts of the group. The divisions showed a patchy trend with printing doing better and contributing about a quarter of the profits, publishing has maintained its profits, while stationery profits are down. Meanwhile, losses in Belgium were about £150,000. This year the group hopes to break even in Europe. But until this operation gets going and until Solicitors' Law can get meaningful margins on the reprographics side (a fast developing market), overall prospects do not look that bright. At 47p the shares give a yield of 13.1 per cent. and the p/e is 31.

Solicitors' Law down to £1.22m.

A LOSS in Belgium adversely affected the taxable profit of Solicitors' Law Stationery Society which was £110,764 lower at £1,222,657 in 1976. Sales were 18.5 per cent. higher at £17m. At half-time profit was down from £728,612 to £701,186.

Stated earnings per 20p share were 5.23p (3.72p) and a net final dividend of 2.3720p lifts the total to a maximum permitted 3.8020p (£463,241).

Profits in the U.K. was steady but in Belgium there was a depressed economy, with rigidly controlled prices while many overheads were statutorily increased by indexation. As a result efforts to open up this new market are taking longer to reach profitability than estimated but the directors say they remain convinced that the move into the European market through Belgium is essential to maintain future growth prospects and are confident that the investment will pay dividends in due course.

comment

The directors state that they do not consider it wise policy to discontinue deferred tax provisions and the provision in 1976 was increased. However account has been taken of relief which will be available in future in respect of overseas losses.

Exchem. setback

Explosives manufacturer Exchem Holdings reports a reduction in pre-tax profit for the year ended September 30, 1976, from £887,515 to £267,711. Tax took £187,342 compared with £381,400, and after an extraordinary credit of £62,340 (nil) and minorities of £48,578 (£82,558), profit attributable fell from £228,533 to £194,711.

The ordinary dividend was unchanged at 1.84p per share, and the dividend on deferred shares was also unchanged at 0.707784p. Retained profit was £161,227 against £250,609.

Mr. J. Chate, the chairman, reports that turnover was ahead by 17 per cent. at £13.56m., but interest charges on bank loans, overdrafts and other short-term loans jumped almost £50,000 to £300,755.

Working capital increased by £228,247 compared with an increase of £736,279.

Exports amounted to £682,775. Meeting, Curstons Street, E.C., April 22 at 11 a.m.

comment

This is the first time in 10 years that Solicitors' Law has not increased its profits. But the signs were evident at the interim stage when profits were down by 3.7 per cent. The second half did even worse, with a 15 per cent. profit fall on a 7.7 per cent. fall in turn-

Woolworth sees further increase this year

IN HIS annual statement, Mr. Stephen Owen, chairman of F. W. Woolworth and Co., says the company is budgeting for another increase in profits in the current year to January 1978. He says that an increase is budgeted for despite the national forecast of reduced consumer spending in real terms, but it depends on a "reasonably satisfactory economic situation within the country."

The company made an increased pre-tax profit of £48.97m. in the year ended January 1, 1977, compared with £36.25m. (as reported on March 10). The dividend was maintained at 2.95p from earnings of 3.2p against 4.5p.

The capital expenditure programme for the coming year will amount to £7.7m., says the chairman, and a further £12m. working capital will be required to meet increased sales. However, after allowing for tax payments and dividends, and given a reasonable advance in profits, it is expected that additional net borrowings will amount to approximately £3m. "We have ample facilities to meet all our borrowing requirements for the foreseeable future," says Mr. Owen.

The chairman also states that the greater part of the major re-organisation of Woolworth's high street stores will have been accomplished by the end of 1977. The changes have of course been made during a period of considerable economic difficulty, combined with social change," he says. "It would be unrealistic to expect the full benefit to be obtained in such conditions with the pressure that exists at present on disposable incomes."

In a summary of changes made in Woolworth's merchandising policy during the period of reorganisation, Mr. Owen says that trading in groceries and allied products has ceased in 418 stores. Unwrapped ranges of confectionery, cakes and biscuits have been eliminated from all stores. Crockery and glassware have been discontinued in 820 stores, and cigarettes in 820 stores. Costume jewellery, fashion accessories and handkerchiefs have been removed from 843 stores. The chairman adds that the rationalisation and upgrading of the merchandise range continues.

Net borrowing increased by £6.8m. in line with the intention last year that additional borrowing would amount to less than £10m. Of the £6.8m., £2.6m. related to an increase during the year of the sterling amount required to repay the second of two Sw.Frk.50m. loans on February 15, 1977. The group now has no overseas borrowings, except for comparatively small sums in countries where it also has trading assets.

Exports during the year amounted to £3,88m., chiefly for sale in Woolworth stores abroad. Sales outside the U.K. amounted to £26.64m.

Scottish Metro. tops £0.5m.

FIRST half pre-tax profit of the Scottish Metropolitan Property Company rose from £441,736 to £507,515 and the directors are confident that the outcome for the year ending August 15, 1977 will exceed the previous period's £918,781.

Profit for the first six months includes exceptional items of £6,602 compared with a debit of £4,760.

The net interim dividend is raised from 0.5p to 0.5p absorbing £244,118 (£216,994)—the directors say this is proportionately slightly in excess of the maximum annual scale permitted and, if no change is made, the increase in the final dividend will be appropriately adjusted. The total for last year was 1.74p.

The net revenue from properties at half-year increased to £1.25m. from £1.19m. and investment income and interest received increased to £227,486 from £92,778. Interest charges and manage-

ment expenses amounted to £80,893 (£76,537) and £93,208 (£84,188) respectively. The changes in interest received and paid reflect the effects of the Rights Issue of Convertible Loan Stock in March 1976.

Extraordinary items amounted to £2,665 (£13,672). After a tax charge of £233,129 (£212,472) and a transfer from reserves of £64,500 (£54,800) relating to outgoings on the group's development programme and of £1,283 (£48,102) relating to extraordinary and exceptional items, less the profits available for dividends amount to £347,465 (£315,494).

After providing for the interim dividend, the balance of revenue to be carried to reserves amounts to £103,367 (£99,500).

Statement Page 28

MEETING DELAY FOR C. H. JOHNSON

The Board meeting of C. H. Johnson and Sons scheduled for March 28, 1977, has been postponed due to audit delays.

The meeting will be held at Coanought Rooms, Great Queen Street, W.C., on April 22 at 11.45 a.m.

Statement Page 28

JLW COMPUTON® Service



Industrial Property at the touch of a button.

The introduction of the "JLW COMPUTON" Service enables prospective tenants to be supplied with an entire spectrum of suitable industrial premises at the touch of a button.

Property owners will also benefit from the fact that their premises can now be brought to prospective tenants' attention immediately on demand.

A brochure outlining the services provided by "JLW COMPUTON" is available on request from 103 Mount Street, London W1Y 6AS.

JONES LANG WOOLTON
Chartered Surveyors
International Real Estate Consultants

"Inveresk has sustained all its operations and added new activities."

Results were a slow but steady improvement in and during 1976 for Inveresk, both manufactured and distributed, compared with the very low levels for most of the preceding year. The economies of U.S.A., Canada and West Germany did not recover to a significant extent and, in fact, combined with the continuing high inflation in U.K. the severe further decline in the exchange value of sterling, retarded progress in domestic markets. However, in spite of continuing pressures on margins, there was an encouraging improvement in profitability in most operations, particularly during the last quarter of year.

Expansion of the Group's paper merchandising activities were considerably enlarged in August, 1976, by the acquisition of Inveresk and Smiths (Holdings) Limited, the parent company of Linker & Supplies Limited, one of the best U.K. paper merchants.

Link has a national network of warehouses and holds one of the largest stocks of printing papers, both mill brands and its own brands.

Future Prospects Despite the severe economic recession, intense competition and high inflation, the Group has sustained all its operations and added new activities. The improved trend in the level of activity shown during the last quarter of 1976 has continued during the first two months of 1977. As there is little evidence of excess inventories in the hands of customers, the present levels of demand for most of the Group's products would appear broadly to reflect current usage. The Group is well placed to take full advantage of further increases in demand in its U.K. and overseas markets.

RESULTS FOR YEAR TO 31st DECEMBER	1976	1975
External Sales	51,711	34,627
Profit before tax	1,557	1,285
Profit after tax	1,167	900
Preference Dividends	105	105
Ordinary Dividend	618	573
Increase in retained profit	438	222
Earnings per Ord. Stock Unit		
Net basis	7.7p	6.0p
NI basis	10.1p	8.4p



The Ashdown Investment Trust Limited

(Managed by J. Henry Schroder Wagg & Co. Limited)
The Annual General Meeting was held yesterday at 120 Cheapside, London EC2V 6DS.

The following is a summary of the Report by the Directors for the year ended 30 November 1976.

	1976	1975
Total Revenue	£820,988	£716,819
Revenue after taxation and expenses	£347,352	£323,464
Earnings per Ordinary Share	3.57p	3.32p
Ordinary dividends for the year, net per share	3.40p	3.05p
Net asset value per 25p Ordinary Share	136p	143p

Investments

During the year share prices on the London stock market fell. The F.T. Actuaries All-Share Index falling by 15.3% while the New York market improved, the Standard and Poor's Composite Index (adjusted for variations in the exchange rate and the investment currency premium) rising by 15.4%. Reflecting these movements, the total net assets of the Company, less the currency borrowing during the year, decreased to £16.4m, a decrease of 3.9% from the total net assets at 30 November 1975. This resulted in a fall in the net asset value per ordinary share by 4.9% from 143p to 136p.

The Scottish Metropolitan Property Company Limited

Interim Statement

	Half year to 15.2.77 (unaudited)	Half year to 15.2.76 (unaudited)
Issued Share Capital	£5,424,862	£5,424,862
Net Revenue from Properties, before Exceptional and Extraordinary Items	1,247,519	1,194,462
Other Income	227,496	62,779
Group Profit before Taxation and Extraordinary Items	507,516	441,736
Available for Dividend	347,485	316,494
Dividend—Interim	244,118	216,994

The Directors have declared an interim dividend of 0.9p per share (1976—0.8p per share) on an issued share capital of £5,424,862 and are confident that the profits for the year ending 15th August, 1977 will exceed those of the previous year.

BIDS AND DEALS

NFU says no to new Thos. Borthwick offer.

Thomas Borthwick has failed to win the crucial approval of rival bidders NFU Development Trust in its revised £12.5m offer for FMC in which the Trust has a 48 per cent stake and for which it has made a £9.7m offer.

Following a meeting between Borthwick and NFU Trust yesterday, Mr. John Cousins, chairman of the Trust, told Dr. Bill Butler, chairman of Borthwick that the Trust will not accept its offer. In a statement yesterday the Trust said it regarded its investment in FMC "as a long-term and increasingly profitable one". It considered that the FMC Board and management had already embarked on the policies necessary for sustained and profitable growth and the Trust was "unwilling to see the fruits of this groundwork taken for the benefit of Borthwick's shareholders". At the meeting yesterday Thomas Borthwick put forward proposals to increase NFU's potential holding in the merged companies from 15 per cent to 20 per cent by involving the Trust in underwriting arrangements for the new Borthwick shares.

Mr. G. Cattell, director general of the NFU said yesterday that NFU Trust may have been interested in a much higher percentage participation but at the same time thought that Borthwick's proposals were rather vaguely formulated.

Borthwick's revised offer of 25 shares for every 15 FMC shares worth 134p a share with Borthwick at 86p is conditional on the recommendation of the FMC Board which is due to meet tomorrow.

In addition, and subject also to the FMC recommendation, there is a cash alternative equivalent to 125p for every FMC share to be made to accepting FMC shareholders by Morgan Grenfell, Borthwick's advisers.

In the event of this offer not being recommended Borthwick will make an offer of 133 shares for every 100 FMC shares, valuing them at 115p each—the highest price Borthwick has paid in the market. NFU Trust's obligatory offer of 5p a share in cash is expected to be posted within a week.

Mr. Jack Charlton, chief executive of FMC, said last night: "We will be having a meeting of our full Board on Thursday when the Trust's statement together with representations we have received from many other shareholders and obviously also the directors we had with representatives of Thomas Borthwick last week will all be considered."

On a personal note Mr. Charlton

added: "I am still not convinced of the commercial logic of the Borthwick proposals."

AE ABANDONS OFFER FOR SERCK
Associated Engineering has decided to abandon its contested £35m takeover bid for Serck which was referred to the Monopolies and Mergers Commission a fortnight ago.

Following the Commission reference AE's bid automatically lapsed but AE now believe that the prolonged period of uncertainty inherent in a submission to the Monopolies and Mergers Commission might have an inhibiting influence on other possible future developments. This uncertainty together with the necessary diversion of senior management effort would not be in the interests of AE shareholders.

Mr. John Ferguson, chairman of AE says that the accusation of ambiguity in AE's assurances about future employment made by the chairman of Serck "is wholly unjustified and undeserved". Although convinced of the benefits of AE's proposals for Serck, the AE Board says that for its part the differences of opinion over the merits of its offer will not affect its relationship with Serck.

JOHN FOSTER ACQUISITION
John Foster and Son, the Queensbury (Yorkshire) based textile group, has agreed in principle to acquire, for a nominal consideration, Mellor Manufacturing, a manufacturer of worsted cloth, manufacturer, of Colne and Bradford.

The business of Mellor Manufacturing will continue and it is intended that the manufacturing and trading connections with Pitchon, will be preserved and developed, particularly in the South American markets.

LONRHO/CENTRAL LINE
Lonrho announces that acceptance of its offer for the 788,405 ordinary shares of Central Line Securities not already owned have been received from 336 shareholders in respect of 696,888 ordinary shares comprising respectively 79.9 per cent of the ordinary shares in respect of which the offer was made. In addition, Lonrho has received in respect of a further 22,947 shares (2.78 per cent.) acceptances which are subject to the completion of various formalities.

Together with the 979,092

ordinary shares owned by a subsidiary of Lonrho before the offer was made, Lonrho's holding (excluding the 22,947 shares subject to the completion of acceptance formalities) now comprises 927.835 per cent of the issued capital. No other ordinary shares of Central Line have been acquired or agreed to be acquired by Lonrho during the period of the offer. The offer is extended until further notice.

BOC DEAL WITH AB FOODS
A new £2m company to be known as Warehouse and Distribution has been formed by BOC Associated in association with Associated British Foods.

WDL will act as a distributor to the frozen food markets and as it will not be solely linked with any one manufacturer, it will be able to provide a complete and competitive service for all types of frozen foods.

ARBUTHNOT LATHAM
Arbuthnot Latham Holdings, in association with Mr. I. T. Rankin, has acquired Vanesco Holdings for £430,000 cash in the proportion that the company has 83 per cent and Mr. Rankin 17 per cent. Mr. Rankin, who was previously a shareholder, remains managing director.

Vanesco Holdings, through its subsidiary Vanesco, is a manufacturer of new and reconditioned machinery used in the reclamation of metals and other materials.

Pre-tax profits of Vanesco for the year to May 31, 1976, amounted to £213,000 and the net tangible assets at that date were £332,000.

RICHARDS & WALLINGTON

Following the decision by Richards and Wallington (London) to terminate the hiring of compressed air equipment in the London area, agreement has been reached with the plant, equipment and spares, and the name "London Compressor Hire" to Southdown Plant, a subsidiary of Hewden-Stuart for £206,000 cash.

TAY & ROYAL CENTRE HOTELS

Centre Hotels, while retaining ownership of its Tay and Royal Hotels, Dundee, have granted a Management Agreement to David Miller, formerly Director of Operations, and the properties will therefore be separately operated from April 5, 1977.

The relationship with Centre Hotels will continue in a number of ways including membership of Centrelink Hotels.

PREMIER/BALL AND COLLINS

Premier Consolidated's agreed formal offer for Ball and Collins (OD and Gas), of which 18 shares, has been posted to shareholders.

As known the directors of B and C and their families have accepted the offer in respect of 0.8 per cent, holders of 25.8 per cent have indicated their intention to accept.

FAGS/DELTEC AND LET

Deltec Trust and LET Investments now hold 49.23 per cent of the ordinary capital of Antiferromagnetic Railway Company and 34.21 per cent of the Preference Capital. The combined voting power of these holdings amounts to 48.98 per cent.

HAWKINS/JACKSON AND STEEPLE

The formal offer documents have been posted to the shareholders of Jackson and Steeple in connection with the agreed offer on behalf of John Hawkins.

NO PROBES

The proposed mergers between Tootal and Silima Group Holdings and between Downy Group and Ultra Electronics Holdings will not be referred to the Monopolies Commission.

SHARE STAKES

Camelia Investments has purchased 51,800 shares of the £100 share Duzcan and Goodricke, making a total of 14 per cent.

John Menzies has acquired an interest in a further 3,000 Ordinary shares of Gordon and Golet Holdings bringing its total holding to 694,245 shares.

Jobehaut Holdings has purchased a further 175,000 shares in Lincolne International and now holds 22.52 per cent.

Mr. Ian W. Macdonald, a director of Lloyds Bank, sold 1,000 Lloyds shares at 210p on March 21.

Greenwood Securities, a wholly owned subsidiary of Eagle Star Insurance, holds 11.43 per cent of Moss Brothers.

Newbridge Holdings has acquired 880,673 London and European Group ordinary shares in its own name bringing its total holding to 14.95 per cent.

P and O has received notice from the London Indemnity and General Insurance Company that following a sale of £500,000 Preferred stock they now hold 5285,500 Preferred stock, 11.5 per cent of the class of capital.

A. J. Bekor has sold on behalf of clients 50,000 Leong Tea Company Ordinary shares at an average 130p representing 24.21 per cent of the issued equity capital.

On March 5 Mr. Keith Marsden, director and secretary of Sylvania, purchased 1,250 Sylvania shares. Berkeley Investment of New Zealand, together with its subsidiaries have holdings of 630,000 Ordinary shares (9.52 per cent), 218,000 Preference shares (15.8 per cent.) in Autofagssta (Chili) and Bolivia Railway Companies. These holdings represent 11.24 per cent of the voting capital.

Graydon is the beneficial owner of 289,173 British Building and Engineering Appliances shares (30.67 per cent.)

Estates House advance £1.18m. to top £3m.

LARGELY AS a result of a deliberate policy of high liquidity and the high yields available from government and money market stocks, revenue of Estates House investment Trust for 1976 has been buoyant, says Sir Peter Hayman, the chairman. Pre-tax revenue improved from £2,050m to £3,230m on gross revenue ahead from £2,750m to £3,920m.

Stated earnings are 2.29p and the dividend is stepped up from 5.5p to 8p with a third interim (in lieu of final) of 1p. After tax of £3,472m against £3,860m, and dividends absorbing £1,480m, revenue of Estates rose from £1,992 to £3,992.

Sir Peter tells members in his annual statement that the principal aim of the group was to "resolve as quickly as possible all those outstanding problems which stood in the way of a final decision on the company's future."

He adds that "these matters are well on towards resolution." As reported yesterday, the directors of EHT have recommended acceptance of the bid from Commercial Union.

The chairman adds that the significant events which took place in the early part of the year were reported as post balance sheet events in the 1976 accounts or at the time of the annual meeting. These were the conversion of the £5 per cent Convertible Debenture Stock 1965/2005 into 424,109 Ordinary shares. The sales of the group's holdings of 48.5 per cent of the Ordinary share capital of Totalators and Greyhound Holdings, 11.8 per cent of the Ordinary share capital of Yale Catto, 48.9 per cent of the Ordinary share capital of The Selkwe Gold Mining and Finance Company and 66 per cent of the Ordinary share capital and 54.2 per cent of the Debenture Stock of Angus Milling (Holdings). The total proceeds of these sales amounted to approximately £1,688m.

The liquidation of Atlantic Alliance Trust S.A., a Luxembourg company in which the group held 58.7 per cent of the Ordinary. After surrender of 25 per cent of the investment currency premium, this produced a further amount of £855,000.

Further sales of substantial holdings which have taken place in 1976 since the annual meeting in June and during 1977, up to the end of February amounted to approximately £2,050m and £3,190m, respectively.

Sir Peter says that special mention should be made of the holding of Alzoma Central Railway as prior to its sale the holding represented some 10 per cent of the company's assets. The sale crystallised a significant part of the contingent corporation tax on investment currency premium.

For these reasons, he says, it was felt that it would be more helpful to shareholders if the results reflected in the accounts as if it had taken place at December 31, 1976 and the net proceeds of sale treated as a debtor at that date. The accounts therefore show the transaction as if it had been completed on that date.

On July 16, 1976 the cancellation of 3,622,035 Ordinary shares of the company held by Sterling and Dollar Assets Investment Trust and its two subsidiaries and the merger of the undertakings of these companies with those of the company and its principal holding subsidiary, Estates House Securities, became effective.

Members are told. During 1976 all properties of negative final settlement of all claims in respect of share transactions in the National Group of Unit Trusts, which represented interests of the Lawson family, says the chairman.

Of the 12 companies remaining in the group, eight will be dissolved, shortly, one is a Rhodesian company and the last three are EHT, Estates House and Emblem Properties, which are to be in-house service companies, the chairman says.

During 1976 all properties of Estates House other than Estates House, 84, Gresham Street itself, were sold for just over £12m. An offer of £2,150m gross for Estates House, 86, Gresham Street has recently been accepted, subject to contract. On completion of this sale Estates House will be liquidated, he adds.

Commercial Union has also written to its shareholders explaining the reasons and the benefits of its proposed take-over of Estates House. Shareholders will be asked at an extraordinary

meeting to be held on April 18 to give their approval to increase the authorised share capital of the company from £90m to £100m to accommodate the share offer. The maximum number of Ordinary shares to be issued in connection with the offer—there is also a cash alternative—would represent 11.5 per cent of the maximum number of issued shares after the acquisition.

All companies benefit from the return in the August onwards but space capacity in all areas. Shareholders in the first time, made contribution to profit Baker, which also can total profit, operate capacity in the second group sales a passenger vehicle closer attention is given to exporting, especially in America. Meeting, Dudley, on 12.15 p.m.

Joseph Shakespeare less liquid American Trust pay down

ON THE basis of present trading forecasts and capital expenditure programme, the number of Joseph Shakespeare and Company do not anticipate any further increase in borrowing during the current year, says Mr. Jack Shakespeare, the chairman.

In 1976 development expenditure, the acquisition of Benjamin Baker, together with increased working capital required for the higher turnover of £8.5m, 43.3p, reversed the improvement in liquidity. At year-end bank borrowings showed a rise of £0.85m (decrease £0.31m). As reported on March 12, for the year pre-tax profit was a (£550,886).

DEW

Extracts from Chairman's Statement and Annual Report. The Accounts for the year ended 31st October, increased over the previous year's record profit and an 11% attributable profit after tax.

	1976	1975
Turnover	£1,747m	£1,747m
Profit before tax	£1,382,474	£1,382,474
Attributable profit after tax	625,995	625,995
Dividend	177,551	177,551
To General Reserve	100,000	100,000
Retained Profit for the year	552,445	552,445
Dividend per Ordinary Share	7.49p	7.49p
(maximum permitted)		
Earnings per Ordinary Share of 25p	19.5p	19.5p
After waiver		

The workload in the U.K. is slightly better than a year, but has only been achieved by the award of contract territory extending from the Shetland Isles down to the English coast with a greater part of the work in Scotland which established.

Following upon much pioneering in the Middle East the last six months, carried out a number of specialist contracts in the United Arab Emirates and are well established we believe we are now in a position to carry out larger contracts of a bespoke nature which appear to be available.

Although we have not commenced active operations of Saudi Arabia we are currently involved in many projects and I am confident that the Company's progressive success.

G. DEW & CO. LTD.

OLDHAM & OVERSEAS Civil Engineering Contractors and Industrial Filing & Foundations and Landscaping Div.

UNION CORPORATION LTD.

(Incorporated in the Republic of South Africa)

The Chairman, Mr. E. Pavitt, reports to shareholders

Last March I warned of a drop in the Corporation's dividend income unless there was an early recovery in the gold price. In the event, far from compensating for the 16% increase in working costs, the average price received by the mines was 7% lower than in 1975 and the Corporation's income from gold fell by R6 million. The welcome recovery in platinum dividends was largely offset by a fall in income from our base metal interests. Consolidated income has nevertheless increased to R39.2 million due to the acquisition of Geduld Investments in exchange for Union Corporation shares and the further share purchases and exchanges which took place at that time. In consequence, a number of former associated companies became partly owned subsidiaries and their results have been consolidated, including R6.6 million representing Union Corporation's share of profits retained to finance the development of the companies concerned and therefore not available for the Corporation's mining business. It is essential to plough back an adequate proportion of mining profits to enable us to replace wasting assets and the Board has, with reluctance, declared a reduced final dividend making a total of 36 cents for the year against 42 cents for 1975.

GOLD

The recovery in the gold price which came later in the year has been most encouraging since it took place largely as a result of a revival in industrial demand and in spite of substantial additional supplies being available to the market from the International Monetary Fund, the U.S.S.R. and China.

The Group's three long life mines are due to be joined late in 1978 by Unisel Gold Mines. The capital cost of this project has escalated sharply and arrangements have been made to finance the overrun from bank facilities. Further replacements of our short life mines will depend on the success achieved in the continuing programme of evaluating the gold and uranium areas which we have under investigation.

PLATINUM

Except for demand by the automobile industry in the U.S.A. and Japan the market was depressed and prices on the free market were at a discount below the producer price for much of the year. Nevertheless, Impala Platinum continued to earn satisfactory profits and, in view of lower capital expenditure, distributed 75 cents per share as compared with 30 cents per share in 1975. Since the year-end there have been signs of an

improved demand in the U.S.A., Europe and Japan resulting in a welcome firming in prices.

OTHER METALS AND MINERALS

Loan funds totalling R150 million having been raised for the Richards Bay Minerals project, in addition to the R100 million committed by the equity partners, work got fully under way in the first half of 1976. The construction programme is generally on schedule and within budget. During the year an agreement was made with the General Mining Group for the joint exploitation of coal rights in the Eastern Transvaal. This is likely to be a long term development.

INDUSTRY

During 1976 the South African economy followed the world into recession whilst continuing to experience a high rate of inflation. Several of the companies which became partly owned subsidiaries during the year operate in the paper, packaging and printing field. While Sappi found itself unable fully to recover its increased costs, the overall contribution of the sector held up well. Sappi is currently engaged on two major expansion programmes: work in hand involves some R55 million of which R9 million has already been spent. Provided cash flow forecasts are met Sappi can finance the balance of its capital requirements from loans and facilities already arranged.

OUTLOOK

Maintained profits from our industrial interests during 1977 are likely to depend primarily on the ability to cut costs and improve efficiencies. The gold market is showing signs of greater stability and I anticipate that we shall be able to rely in future on a price level which will not, over a prolonged period, fall below the \$130-\$150 range in terms of present day money. South Africa still has enormous mineral potential whose exploitation however requires comparable amounts of capital investment. Much of this can be generated inside the country but there is still a great need for overseas money. Restoring the confidence of foreign investors and bankers involves, inter alia, reducing the inflation rate and ensuring that funds are applied to productive projects. Unless the Government sector restricts its demands on the economy the shortage of capital will have a seriously inhibiting effect on national development.

Source and Disposition of Consolidated Income

SOURCE	1976	1975
Gold	9.4	15.5
Platinum	3.9	1.3
Other metals	1.4	3.0
Industrial	15.0	4.9
Financial etc	9.5	10.2
Total	39.2	34.9
DISPOSITION		
Dividends	21.6	24.4
Retained by partly owned subsidiaries	6.6	—
Retained by Corporation for exploration	6.0	6.5
for other purposes	5.0	4.0

Copies of the Annual Report may be obtained from the London Secretaries, Union Corporation (U.K.) Ltd., 99 Gresham Street, London, EC2V 7BS, (Quoting Ref. U.C.).

WOOLWORTH

Extracts from the Chairman's Statement

- Profit before taxation amounted to £40,967,000 against £36,252,000. In view of the importance of retaining adequate cash to finance business, no increase in dividend has been recommended.
- Much of the major reorganization of our High Street stores will be accomplished by the end of 1977. The changes have been during a period of considerable economic difficulty, and it would be unrealistic to expect the full benefit in such conditions. However, considerable potential now exists given an upturn in the economy.
- For some considerable time, we have not generated sufficient to maintain a full investment programme. Efforts have therefore directed towards increasing sales per square foot, rather than investing in new areas of opportunity. Our capital expenditure programme will amount to £17 million in 1977.
- I am hesitant to forecast our performance in today's unpredictable conditions. However, we are budgeting for an increase in profit in 1977, provided there is a reasonably satisfactory economic situation within the country.

SUMMARY OF RESULTS	Year ended 31.1.77	Year ended 31.1.76
Total turnover	£795,181,000	£607,658,000
Profit before taxation	£40,967,000	£36,252,000
Earnings per stock unit	5.20p	4.30p
Dividend per stock unit	2.95p	4.30p
Stockholders' funds per stock unit	52p	—

F. W. WOOLWORTH AND CO. LIMITED
Woolworth House, 242/246, Mark Lane, London, EC3A 3DF

MINING NEWS

Anglo comments on its £1.17bn. merger

By KENNETH MARSTON, MINING EDITOR

PRODUCING the formal documents for the Anglo-American take-over of Rand, Anglo-American yesterday announced a 200 for 100 share swap. Mr. Harry Oppenheimer, Anglo-American chairman, in Johannesburg yesterday said the main rationale was that there is a vast amount of new shares going and we need to issue them. He did not remember when there was so much stock as at present. Anglo would not be drawn on assets other than the R125m. East Rand Gold and Anglo project, reports Mr. Oppenheimer correspondent, but Anglo may become involved in other of the big North Cape mineral finds. Meanwhile the merger will create a company with net assets in excess of £1.17bn.

Its terms

Mr. Oppenheimer confirmed that the Rand 200m. rights issue will be made on terms of 25 new shares for every 100 old shares. It will be underwritten by Anglo. The issue would have been made regardless of the Anglo-American merger. In order to fund Anglo's debts to Anglo-American and to provide for future expansion, Anglo-American is offering Anglo 200 shares for every 100 Anglo-American shares. Anglo-American will hold a 41 per cent. stake in Anglo. Anglo-American will hold a 41 per cent. stake in Anglo. Anglo-American will hold a 41 per cent. stake in Anglo.

Mr. Oppenheimer said that the Anglo-American merger would be a "great fiscal and exchange difficulties even wanted to do it," he said. He disclosed that after the Anglo-American merger, the Anglo-American group will have a 41 per cent. stake in Anglo. Anglo-American will hold a 41 per cent. stake in Anglo. Anglo-American will hold a 41 per cent. stake in Anglo.

Mr. Oppenheimer said that the Anglo-American merger would be a "great fiscal and exchange difficulties even wanted to do it," he said. He disclosed that after the Anglo-American merger, the Anglo-American group will have a 41 per cent. stake in Anglo. Anglo-American will hold a 41 per cent. stake in Anglo. Anglo-American will hold a 41 per cent. stake in Anglo.

Copper prices are too low

WHILE the copper market remains overclouded by the huge accumulation of surplus stocks, put as high as 2m. tonnes by some observers, Mr. G. A. Macmillan, chairman of the Rio Tinto-Zinc group's Palabora mine in South Africa is not prepared to forecast this year's course of the metal price. But he believes that there must come a time when demand exceeds supply. When this happens and assuming a continued desire to hold the metal as an investment, there could be a dramatic increase in the copper price. Basically it will be a case of the price having to catch up with the rising cost of existing production and that of new mines; many new projects are now being started.

Mr. Macmillan says that the mine's R85m. expansion is now virtually complete. It will raise annual copper production by about 30,000 tonnes to 125,000 tonnes. Assuming production costs of about R225 (£52) per tonne of refined copper for this notably low cost operation, Palabora would require a copper price of R185 or £130 per tonne in order to achieve an after-tax return of 15 per cent. on its investment. Such a metal price is equivalent to 102 U.S. cents per pound which is very close to other estimates of prices needed to bring a new mine into production, he adds. At the moment copper is under 70 cents in the New York market and closed at 65.5 in the London Metal Exchange yesterday.

Even so, Palabora raised earnings per share last year by 19 cents (South African) to 35 cents and raised its dividend by 20 cents to 70 cents against an average copper price received of R122 (£73) per tonne. The shares of this long life mine were 65p yesterday.

ROUND-UP

South Africa's Siffontein says that its study has revealed that it could become attractive for the company to resume uranium production treating surface material and current slimes. The South African asbestos

Platinum demand lacks impetus

PROFITS AT the major South African platinum producer, Rustenburg, may be less in the second half of the current financial year than in the first. The chairman, Sir Albert Robinson, fears that this may be the result of the continuing increase in costs, unless there is an improvement in metal prices. Sir Albert states that sales in February were higher than in preceding months, but he adds: "It is not yet possible to determine whether this improvement in demand, which resulted from a moderate increase in the level of industrial purchases by industrial customers, will be sustained."

The warning accompanies the declaration of an uncharged interim dividend of 2.5 cents (1.87p). Total payments for 1976 were 18 cents. Net profits for the half-year in the end of February were R18.6m. (£13.45m.) compared with R18.7m. in the same half of the previous year, but high capital expenditure of R12.5m. kept the tax charge down to R1m. against R4.5m. in the 1975-76 first half.

A BEARISH VIEW OF GOLD MARKET

Following the recent recovery in the gold price and the generally hopeful views which have been expressed about its outlook, a differing opinion comes from Mr. David Montagu, formerly of Samuel Montagu and now chairman of the International consortium Orion Bank. He is reported from Hong Kong as saying at a luncheon there that he believed the basic trend in the price was downwards although the recent rise might not have reached its peak. Mr. Montagu pointed out that apart from continued International Monetary Fund gold sales there would be offerings from central banks and, he expected, sales from the U.S. Treasury.

He considers that South Africa would need to step up its gold sales and that the Soviet Union would sell more in order to meet consumer project needs. He took the view that the yellow metal's industrial value was far less than the current market price; that it was slowly being demonetised; and that its price depended on the premium that buyers were prepared to pay for a currency hedge. Gold was \$147 1/2 per ounce yesterday.

GREENVALE DEBT ARRANGEMENTS

In Brisbane the Queensland Government has introduced a Bill into the State Parliament, which not only authorises it to take part in the restructuring of debts incurred by the Greenvale asbestos nickel project, but specifies the details of the new arrangements. The project is a joint venture between the Australian Group Metals Exploration and the U.S. group, Freeport Minerals. The Queensland Government is the guarantor of the debts, which are thought to total about \$A310m. (£198.2m.).

MINING BRIEFS

Plant	1976	1975
Production (tonnes)	16,899	11,425
2m. Case	1,382	1,243
Lead concentrate produced	12,440	10,713
2m. Case	1,174	1,120

Extracts from the Statement by the Chairman, Sir Robert Fairbairn on the Clydesdale Bank Report & Accounts for the year to 31st December 1976



The 139th Annual General Meeting of the Shareholders of Clydesdale Bank Limited takes place today, Wednesday 30th March 1977 at the Head Office, St. Vincent Place, Glasgow. The following are extracts from the circulated Statement by Sir Robert Fairbairn JP the Chairman.

CHAIRMAN'S STATEMENT

The Year's Results

I have pleasure in presenting the accompanying Accounts for the year to 31st December 1976. The profit, before taxation, amounts to £10,809,000 which is some £2,055,000 or 23% higher than the figure for the previous year. Once again, overheads rose substantially, including increases in National Insurance Contributions, local rates, stationery, postage and telephones. A considerable part of the increase in profits arises from the use of a greater volume of funds from Depositors, a higher level of Advances, and the larger income derived, particularly during the second half of the year, from increased interest rates. We also had increased income from our overseas business. As a result of the continuation of the adverse economic climate, additional provision for Bad and Doubtful Debts were required, although at a slightly lower level than in 1975. Additional sums had also to be provided to meet our share of estimated losses in the Support Group for Secondary Banks.

An Interim Dividend of 8.5% was paid on 3rd August 1976 and the Board now recommend a Final Dividend of 11.36% making a total of 19.86% for the year, an increase of 10% over that paid in 1975. The balance of retained profit transferred to reserves amounted to £3,504,000. Deposits at 31st December last totalled £713 million compared with £635 million at 31st December 1975, while Advances to customers totalled £501 million, an increase of £92 million on the previous year.

Premises

Work on the extension to Head Office is continuing satisfactorily although the scale of the project means that the new building will not be ready for occupation until 1978. The existing premises will be refurbished and will provide us with an efficient and modern layout yet in keeping with the traditional appearance of the building. We recognise that the scale of this work must disrupt our service to customers and cause discomfort to the Staff. We are sure, however, that the office when completed will be attractive to our customers and provide vastly improved working conditions for our Staff.

Operating Environment

After a brief period when the rate of inflation fell, we have seen it resume a disturbing up-

ward trend due in part to the underlying rise in wholesale prices. Failure to reduce inflation to manageable levels has undoubtedly been a contributory factor in delaying economic recovery but it becomes increasingly clear that industrialists have lost the will to venture into new fields and wider markets without some assurance that their efforts will be rewarded. Taxation has reached the point where it is a very real disincentive and until it is reduced and some incentive restored, both to the individual and to the company, we will not see the enterprise and initiative which is so necessary if we are to secure the expansion in production which is so greatly needed.

Scotland

Despite the fact that in general our economic performance did not maintain its position relative to the country as a whole, certain industries enjoyed favourable conditions. Agriculture was one of these industries and in almost all sectors the past twelve months have proved successful. In most oil and oil-related industries stability was maintained, with the exception of rig and platform construction companies who have been forced to reduce their workforce because of the lack of further orders. This is a pressing problem and it will have repercussions on the many ancillary companies which have emerged unless they too are able to diversify sufficiently to keep going. Orders for more platforms are expected and indeed some orders for steel platforms have recently been placed, but there is capacity in the West for concrete structures and it would be welcome news if orders were placed with some or indeed all of these yards.

Nationalisation

In addition to problems arising from economic considerations, there are a number of political influences to which we have to give consideration. Perhaps nationalisation is not an immediate threat and one could not say that it is as yet affecting our business. But we must not forget that whilst it is not yet Government policy, and hopefully will not be so, it was nevertheless adopted by the Labour Party last September at their Annual Conference. The Scottish Banks were not mentioned, directly but they would, by virtue of the Clearing Banks' shareholdings, become involved so we cannot avoid the issue. The principal criticism of the Banks is that they have not lent enough to industry to enable companies to re-equip and expand. We in the Banks know, of course, that this is not so. The Banks are ready to meet the borrowing requirements of industry. It is the lack of demand that is the problem and this can be attributed to lack of initiative and enterprise brought

about in part by high interest rates and the lack of return on capital. Inflation is the major cause of these troubles and it must be brought down to levels at least no greater than our major competitor countries. The Government is trying to do this and if we are to move forward as an industrial nation success must be achieved in this field. Nationalisation of the Banks would make no difference to this problem. It could not but be damaging to the Banks if their funds were directed for political reasons to investment and nationalisation could not be other than damaging to our business both at home and abroad.

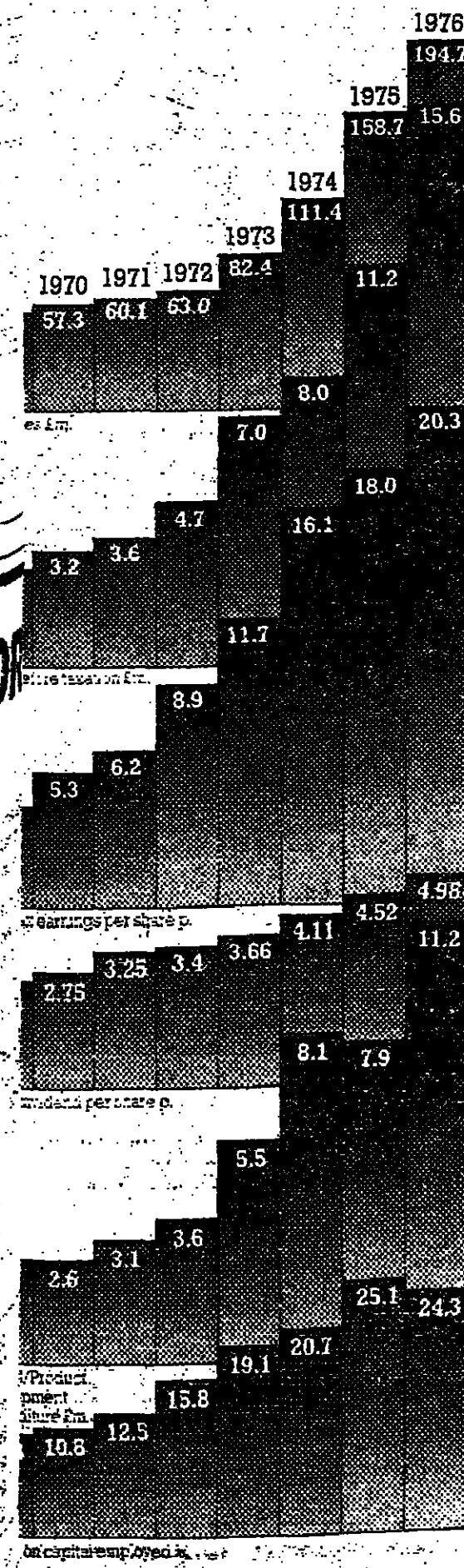
Employee Participation

The Bullock Report on employee participation has been issued and has received a great deal of criticism. I am sure that most people would agree that more can be achieved if management bring their employees into discussions on the plans for the conduct and expansion of their business. Indeed this is being done on an ever increasing scale and the cooperation and understanding which should result must be beneficial to both employer and employee, and so indeed for the ultimate good of the country. But to suggest that representation of shareholders and employees should be on an equal basis with a smaller number of outside Directors is surely going much too far. Continental practice has been referred to but conditions there are not exactly comparable and we must proceed very slowly indeed and learn from experience. Otherwise we will be introducing a potentially disruptive element into our affairs at a time when we are in great need of a united approach to our production problems.

Devolution

An additional problem for us in Scotland in particular is, of course, devolution. The present proposals appear to have foundered but the problem still remains. The discovery of oil off our coasts, coupled with the troubles of the nation as a whole, has induced a number of people to think in terms of separation as providing a solution to our problems. We are a capable race and it may be argued that there are immediate advantages but we would do well to reflect on the fact that we have been an integral part of the United Kingdom for over two and a half centuries and we have benefited greatly from that arrangement. Most people want to see Scotland have a greater say in its affairs. Opinion polls and debates in Parliament show this to be the case, but surely this can be achieved administratively without too heavy a burden of extra government and the expense it involves. Hopefully the foundering of the Bill will give us time to find a better solution.

EIGHT YEARS OF TONE-PLATT GROWTH



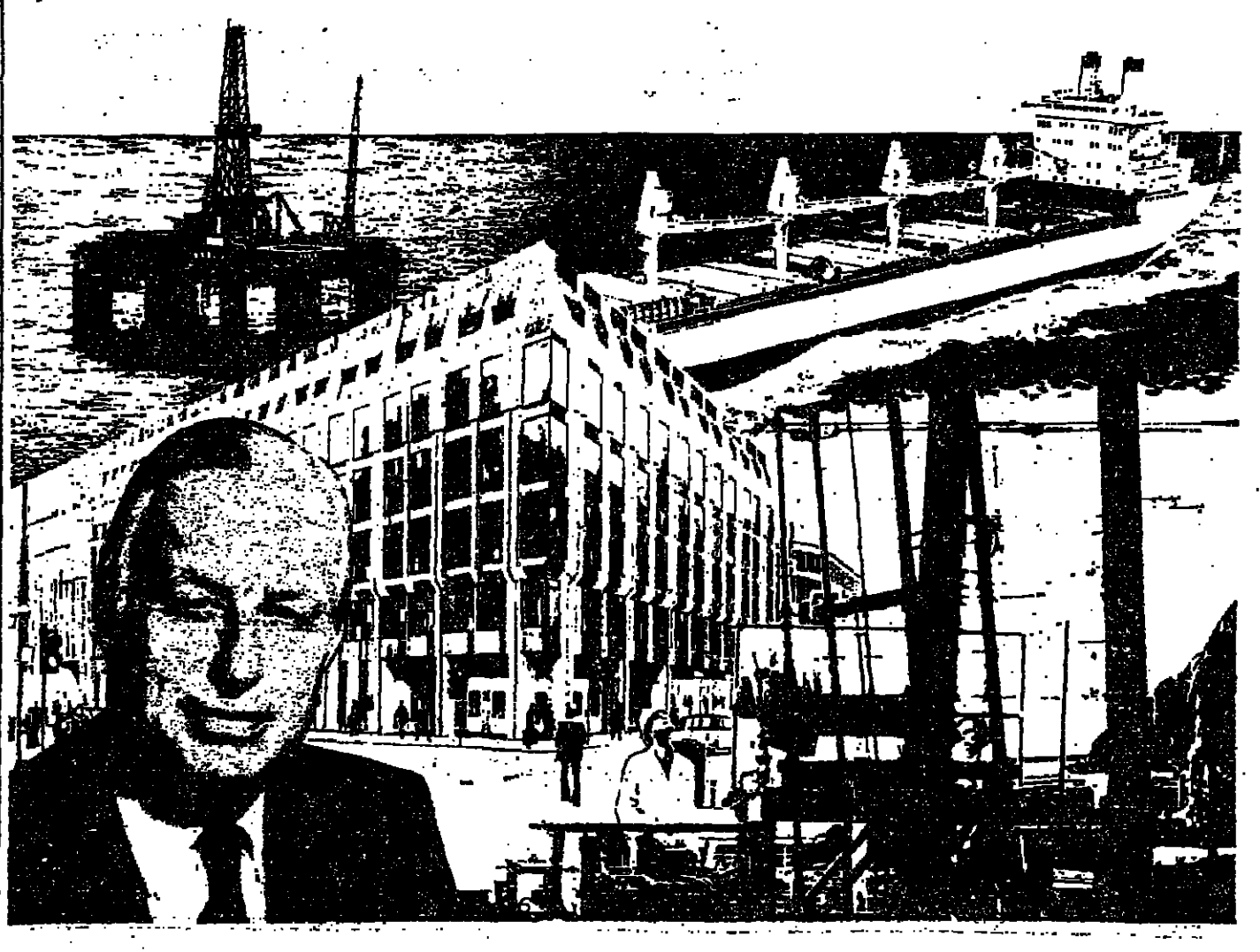
Stone-Platt Industries is an international engineering company with world-wide sales of £195m and employing 13,500 people. The company aims to be a world leader in each of its main products - spinning and texturing machinery, marine propellers, train lighting and air conditioning, specialised pumps.

- From the 1976 Report.**
- Profit before tax was 39% higher than in 1975.
 - Sales were up by 23%.
 - Total sales outside UK were £159m, representing 82% of total.
 - Exports from the UK were up 36% to £91m representing 72% of UK output.
 - Safety Electrical Corporation acquired in the USA for \$6.6m.
 - Each of the main product lines are now manufactured in North America.

For a copy of our 1976 Accounts and an illustrated brochure write to: The Secretary, Stone-Platt Industries Ltd, 25 St James's Street, London, SW1A 1JH.

	1976	1975
Net Sales £m.	194.7	158.7
Profit before taxation £m.	15.6	11.2
After-tax earnings per share p.	20.3	18.0
Gross dividend per share p.	4.98	4.52
Capital/Product development expenditure £m.	11.2	7.9
Return on Capital Employed %	24.3	25.1

Stone-Platt Industries



INTERNATIONAL FINANCIAL AND COMPANY NEWS

PLM goes for improved margins in consolidation

BY WILLIAM DULLFORCE

MALMO, March 29.

PLM, the Swedish metal can packaging and waste treatment concern which has become the European leader in resource recovery systems over the past three years, will go through a consolidation period this year with the emphasis on improved profitability. The effort put into waste treatment and resource recovery is not expected to yield its full return before the next decade. Spelling out the group's financial policy in the final report for 1976, Mr. Ulf Laurin, the managing director, sets a target for return on total capital employed before tax of 12.5 per cent. (1976 performance: 8.6 per cent.). This would correspond to a return on equity after tax of 13 per cent. (11 per cent.) allowing for a 53 per cent. tax rate and an average interest rate of 6 per cent. (4.7 per cent.) on borrowings. Mr. Laurin estimates that shareholders could then be paid a dividend of 5 per cent. (4.6 per cent.) at the same time as the share capital could be raised by 8 per cent. (6.4 per cent.). An 8 per cent. annual growth in shareholders' equity would suffice for a sales increase of 10 per cent. (8.3 per cent.), provided that the rate of capital turnover could be speeded up by 2 per cent. It would also enable the group equity/debt ratio to be maintained at 30 per cent. (27 per cent.). Last year PLM improved earnings from Kr.45.5m. to Kr.68.8m. (E9.4m.) on sales of Kr.1,570m. (E258m.), giving adjusted net earnings of Kr.15 a share against Kr.10 the year before. The forecast for this year is pre-tax profits of at least Kr.80m. and an increase in turnover to just over Kr.2bn. This would still be well below the Kr.16m. achieved in 1974 when sales were only Kr.1.4bn. The improvement in 1976 earnings stems largely from the group's metal can operations (particularly in Denmark) where operating income rose from Kr.17.7m. to Kr.34.3m. The Euro-glass division with factories in West Germany and Holland also showed a growth in profits and the final report notes that PLM's ability to compete in the Common-Market has been confirmed. The metal can and glass manufacturing plants within the EEC in fact contributed Kr.550m. of the group turnover and achieved a return on capital of over 15 per cent., considerably higher than the group average. Investments in plant, machinery and inventories declined by Kr.36m. to Kr.111m. last year and are budgeted at Kr.125m. this year. Group liquidity improved to Kr.193m. mainly through an increase in the short-term debt. At the year end liquidity exceeded the target of 3 per cent. of turnover indicated by Mr. Laurin's final programme. The Board proposes to raise the shareholders' dividend by Kr.0.50 to Kr.6 a share.

Higher than expected loss at LKAB

By John Walker

STOCKHOLM, March 29.

THE LKAB State-owned iron ore mining concern in northern Sweden records a higher loss for 1976 than anticipated. The forecast last June was for the loss to be about Kr.105m. The preliminary report for 1976 puts the loss at Kr.245m. It is expected that 1977 will also be a difficult year with a continued pressure on prices, possibly going down by between 5 to 15 per cent. During 1976 LKAB's deliveries amounted to 22.1m. tons compared with 20.7m. tons in the previous year. The value of sales in 1976 for the parent company rose by Kr.201m. to a total of Kr.2bn. The company claims that 25 per cent. of the value of sales were accounted for by transport charges. Iron ore production dropped from 23.5m. tons to 24.6m. tons while stocks increased by 3.1m. tons to 12.6m. tons during the year. The loss before taxes for 1976 amounted to Kr.245m. compared with a pre-tax profit in 1975 of Kr.37m. Competition in 1977 is going to be harder the concern points out, especially with strong competition from new iron ore producers such as Australia, Brazil and West Africa.

Preussag expects to maintain its dividend

BY ADRIAN DICKS

BONN, March 29.

PREUSSAG, the West German engineering, metals and chemicals group, expects to be able to maintain a dividend of DM7 per DM100 share for 1976. Announcing results for the last quarter of last year, and preliminary whole-year figures, the Board reported to shareholders that although profits figures for 1976 appeared somewhat better than those for the previous year, this was in part the consequence of special factors, including final disposal of the group's troubled aluminium fabrication subsidiary, Leichtmetall. In spite of the sale of Leichtmetall, which in 1976 had contributed DM408m. to Preussag's group turnover, the company reported to-day that total turnover rose from DM2,944m. to DM3,056m., a process in which all division as a whole raised turnover from DM2,726m. in 1975 to DM3,040.7m. Writing of the period up to the end of 1976, the Board states that lead prices had increased 9.5 per cent. from the previous quarter, while demand had been stabilised at a "satisfactory" level. Zinc went through a period of weaker demand with prices down 14.9 per cent. Among the other metals processed by Preussag, Copper, Silver and Cadmium all dropped appreciably in price from the previous quarter. Production of domestic ores reached the previous year's area from DM412m. to DM441m. levels with a corresponding increase in turnover of fabricating operations thanks to improve DM256m.

Woods gro Burma financi moves

By James Fort

SYDNEY

WOODSIDE, a major Australian natural gas producer, has announced that it is arranging to sell its shares to a consortium of investors. The consortium includes the U.K. Shell member, an Australian firm, and the directors of Woodside. The directors of Woodside said in a statement that the company had been approached by a consortium of investors to buy the company. The consortium includes the U.K. Shell member, an Australian firm, and the directors of Woodside. The directors of Woodside said in a statement that the company had been approached by a consortium of investors to buy the company. The consortium includes the U.K. Shell member, an Australian firm, and the directors of Woodside.

Slavenburg's to raise dividends

BY MICHAEL VAN OS

AMSTERDAM, March 29

SLAVENBURG'S Bank said in its annual report out to-day that it proposes to raise the 1976 dividend by Fls.2 to Fls.19 per share of Fls.100 after net profits had risen by 22.6 per cent. to Fls.26.1m. Shareholders may instead take Fls.8 in cash and Fls.3 in shares from the tax-free premium reserve. In its report, the Rotterdam-based bank, in which the First National Bank of Chicago has a minority interest, refrains from publishing a financial forecast for the current year, in view of the many uncertainties in Holland and elsewhere. The bank describes its profit development in the past year as satisfactory. The balance sheet totals amounted to Fls.5.5bn. at the end of 1976 of which the Euro-deposit activities accounted for 14 per cent.—which represented an increase of 18.2 per cent. on the level of the year before. Slavenburg's total revenue increased by 15.2 per cent. to Fls.151.9m. of which interest income accounted for Fls.102.3m. (Fls.94.1m.) and commission income Fls.79.7m. (Fls.63.8m.). Total costs were up to Fls.118.3m. (Fls.99m.). The addition to the provision for general operating risks was raised to Fls.22m. (Fls.21m.), and the tax allocation was Fls.17.5m. (Fls.14.8m.).

Price cuts at Amdahl Corp.

AMDAHL CORPORATION, which makes a computer processor that is a direct substitute for one of International Business Machines Corporation's largest models, has reduced the processors price by about 25 per cent. reports AP-DJ from California. The young company, which had its first full year of revenue in 1976, also announced two new processors, one larger and one smaller than its single previous model. The announcements followed introduction last Friday of a new top of the line processor by IBM and 30 per cent. reductions in sales prices for the older IBM machines with which Amdahl's products compete. An Amdahl official said on Friday that IBM's price cuts for the System 370, Models 158 and 169 computer processors appeared to be aimed at Amdahl. He added that Amdahl intended to announce this week "new price structures, which will make us quite competitive," but did not mention any new products.

Sleigh reports \$A4.7m. for first half

BY OUR OWN CORRESPONDENT

SYDNEY, March 29.

H. C. SLEIGH, the Australian petroleum, woodchips and coal group, continued its profit recovery with a 27 per cent. lift in earnings, from \$A3.68m. to \$A4.67m. in the December half year. The directors have decided to pay an interim dividend of 2.75 cents a share. Last year an initial interim of 1.5 cents was paid in March but was followed by an additional interim of 2 cents in November to make up for the fact that the payout was omitted in the previous year. A final of 2 cents was also paid last year making a total distribution of 5.5 cents. Flinders sold its "containership" and quit trading in Australian coastal waters. Referring to the Warkworth coal venture, in which Sleigh has a stake, directors said preliminary talks were held with Japanese steel mills with whom the venture hopes to sign contracts, with production expected to start towards the end of 1979 or early in 1980.

American Companies

Sohio information claim

CLEVELAND, March 29.

STANDARD OIL OF Ohio (Sohio) said it had "conscientiously supplied California with all the information Sohio thought would be needed by the State to evaluate air quality permit applications for the proposed Long Beach to Texas pipeline project," reports AP-DJ. On Friday the California Air Resources Board said it will suspend next month a review of an Alaskan oil terminal in Long Beach, California because Sohio, the project's sponsor, has refused to complete its application for the facility and is withholding information requested by both State and Federal laws. Mr. Tom Quinn, chairman of the California Air Resources Board, said he was going to "place Sohio's application in the 'inactive' file unless the application is completed by April 11. Mr. Fred G. Garibaldi, president of the Soho transportation division, said Sohio has and will continue to co-operate fully with Federal and State agencies. "I will respond to a letter from Mr. Quinn in which he asks for additional information," he said.

Olinkraft \$110m. plans

OLINKRAFT INC. said in its annual report that it plans to spend more than \$110m. on capital projects in 1977, up 50 per cent. from 1976's capital outlay of \$73.2m. AP-DJ reports from Louisiana. Of the \$110m. the company said \$10m. is budgeted for capital outlay in Brazil and \$100m. for domestic capital projects, the bulk of which is for the \$125m. expansion of its pulp and paper mill in West Monroe. Over the four-year period from 1976 to 1979 Olinkraft said it would invest more than \$200m. in capital projects, most of it related to specialty craft lines. Of the \$73.2m. spent in 1976, the company said \$52m. went to paper mill modernisation and expansion in the U.S.

Marui forecasts profit rise again this year

TOKYO, March 29. MARUI, a major department store operator, reported that net profit for the year until January 31 rose 30.2 per cent. to ¥5,301.4m. from ¥4,070m. a year earlier, AP-DJ reports from Tokyo. Sales in the year rose to ¥169,036m. from ¥148,923m. The increases in net profit and sales in the year came from high sales of clothes and reduction of company expenditures, the company said. The company issued a \$30m. convertible debenture in Europe during the year and also made a 10m. share public offering in Japan to cut its interest burden. The company forecast its net profit for the 1977 year ending next January 31 at ¥6.4m. with sales at ¥189m.

Burroughs discounts strike

MR. RAY W. MACDONALD, chairman of Burroughs Corporation, said the strike by 1,800 United Auto Workers at three of its plants earlier this month will have a minimal impact on first quarter revenues and profits, reports Reuters from Detroit. Mr. MacDonald told a Press conference after the annual meeting that the company should be able to make up the revenue lost as a result of the strike over the year. The company earlier projected 1977 earnings between \$5.30 and \$5.50 per share, and for 1976, it earned \$185.9m. or \$4.63 per share on revenues \$1.9bn.

Thrift plan at ARCO

LOS ANGELES, March 28. ATLANTIC RICHFIELD (ARCO) announced its intention to purchase periodically up to 1m. shares of the company's common stock, reports UNS from Los Angeles. The stock will be held as Treasury shares, and be used for purchase by the company's thrift and savings plans, for contributions to the company employees stock ownership plan, to provide

A truly Middle East bank for international business

Most international banks are involved in the Middle East these days. So what makes us different? Simply that we are wholly Middle Eastern in concept but international in outlook. Union Bank of the Middle East has been formed solely by Middle East interests, and has a management and staff with wide experience of international banking in the area. And although we are new, we are big and able to offer services on the appropriate scale. Based in Dubai - fast-growing commercial centre of a fast-growing area - we offer all regular retail banking services to individuals, corporations and government departments in the Gulf. Internationally, we provide all the services you would expect from a bank of stature, in particular: Foreign trade finance: We have the ability to finance the import/export requirements of the area; we issue bid and performance bonds and make advance payment guarantees. Foreign exchange: We deal in all major world currencies (and incidentally our geographical/time-zone location between European and Far East markets is often an advantage). Project finance: We undertake financial feasibility studies for development projects and through the diversified interests of our influential shareholders and contacts throughout Arabia we are well-positioned to arrange the necessary funding. Joint ventures: We operate special advisory services related to joint ventures between Middle Eastern and foreign partners and assist with company registration and municipal guarantees. In today's financial world, few can afford to ignore the Middle East. We believe few can help there better than us.

UNION BANK OF THE MIDDLE EAST LIMITED. Logo and text in Arabic and English. Authorised capital UAE Dirhams 500 million (US\$128 million) - UAE Dirhams 150 million (US\$38.4 million) fully paid.

EUROBONDS

EMI issue priced at par

By Mary Campbell. THE DOLLAR sectors of the Eurobond secondary market remained quiet yesterday with prices if anything slightly down in the U.S. dollar sector, though steady, or a fraction firmer, in Canadian dollars. The EMI issue was priced at par and allocations are expected to be cut back substantially despite last week's increase in the size of the issue from \$30m. to \$50m. The coupon is 9 1/2 per cent, as indicated. The National Bank of Hungary is raising \$30m. in four years redeemable floating rate deposit notes. Reuters reports from Hong Kong. The interest rate is said to be the six months LIBOR and the issue price 9 1/2 per cent. Redemption may occur, the report says, at the end of any six months period at progressively increasing premiums on the issue price during the first two years to par after four years. American Express Middle East Development Co. is quoted as a manager.

Bond Trade Index table with columns for Medium term, Long term, Convertible and rows for Yesterday, Monday.

The Wobaco Group 1976 Highlights. Table showing financial data for 1974, 1975, and 1977. Includes text about member companies and shareholder banks.

Arabic Wings advertisement. Text: Rome and Pisa, Italy to Dubai, Dhahran and Amman in the Mideast with a final return to Paris—all in ten days' time. Unbelievable? Perhaps... but possible on Arab Wings. Arab Wings, the Middle East's largest jet charter service, recently completed that flight plan to suit an international engineering consultant's tight schedule.

Handwritten note: JPK 1/1/77

INTERNATIONAL FINANCIAL AND COMPANY NEWS

BASF growth heavily ed by export demand

GUY HAWTHORN

WEST GERMAN chemical group's remarkable recovery in 1976... BASF's 1976 results for the year ended December 31, 1976, showed a 47.8 per cent increase in sales...

FRANKFURT, March 29

Group figures showed that while overseas demand showed a powerful upward movement from the beginning of the year, domestic demand had slipped further by mid-1976... The report made no mention of progress this year but in January...

TDK sees growth slowdown this year

By Pauline Clark

AFTER a period of what the company describes as "extraordinary growth" last year, TDK Electronics of Japan is expecting only a slight improvement in sales and profits in the first half of this year...

Giving this forecast in London yesterday, Mr. Kazuro Katsura, executive vice president, told an investors' meeting that prospects for electronics parts mainly used in the consumer electronics industry appeared to be clouded at present particularly in view of the recent appreciation of the yen against the dollar...

GROUPE BRUXELLES LAMBERT

Towards a better balance

BY DAVID BUCHAN IN BRUSSELS

BARON LAMBERT has been re-structuring his cards. The Belgian financial and banking empire that carries his name is to be re-organised... It has been decided that CBL should take repayment of the stock of a new super-holding company...

in fact given by the holding company CBL to cover a B.Frs.3bn. foreign exchange loss made by the Banque de Bruxelles... The aim is to create a pyramid, with the new Groupe Bruxelles Lambert at the top...

Capital spending to help AECI

RICHARD ROLFE

ANNUAL report of AECI, manufacturers explosives, plastics, and is the biggest industrial concern in South Africa...

JOHANNESBURG, March 29

AECI has spent heavily on capital account over the past five years, raising capital employed from R205m. in 1972 to R548m. at the end of last year... The group staged a rights issue last year which increased issued share capital by 50m. shares...

City and Urban Properties exceeds earnings forecast

BY DANIEL NELSON

HONG KONG, March 29

CITY AND URBAN properties announced a net profit of \$HK36.6m. for 1976, slightly more than the \$34m. forecast by the company's first year as a public company...

Snia Viscosa breaks even in 1976

MILAN, March 28

SNIA VISCOSA, the chemicals and fibres manufacturer, reports a 1976 break-even against 1975 net loss of L4.83bn. Sales were L53bn., up 42 per cent.

SELECTED EURODOLLAR BOND PRICES

Table with columns for bond types (STRAIGHTS, CONVERTIBLES), maturities, and prices. Includes entries for Alcan, Amstar, and various Eurodollar notes.

DM 25,000,000 5 1/2 Year Floating Rate Loan to Finance Exports from AEG-TELEFUNKEN. Managed by DOW BANKING CORPORATION CHASE MANHATTAN LIMITED. Co-Managed by Toronto Dominion Bank, Girozentrale Vienna.

PETROLEOS MEXICANOS U.S. \$350,000,000 MEDIUM TERM LOAN. MANAGED BY CHASE MANHATTAN LIMITED, CITICORP INTERNATIONAL GROUP, WESTDEUTSCHE LANDESBANK GIROZENTRALE.

The Broken Hill Proprietary Company Limited. Guarantor of U.S.-dollar term loan to BHP Finance Limited, Canberra, A.C.T., Australia. Financing managed by MORGAN GUARANTY TRUST COMPANY OF NEW YORK.

Vertical text on the left edge: The Broken Hill Proprietary Company Limited

FARMING AND RAW MATERIALS

Silkin defends farm policy stand

By Peter Bullen

JOHN SILKIN, the Minister for Agriculture, vigorously defended Britain's virtual veto on the EEC's 1977/78 farm price agreements yesterday.

On his return to London from Brussels he said he was not prepared to see Britain's house-holders penalised by the final package suggested by the EEC Commission and the Farm Ministers.

His package would have increased the price of farm produce by 31 per cent, a "green pound" of 4 p per cent, and to give the blow for U.K. consumers, a butter subsidy of 8p per lb.

He by no means approached the package which Mr. Silkin suggested would be acceptable to Britain. This included a "green pound" of 2 p and a 3 per cent increase in the price of farm produce (with the EEC price of 20p a pound on butter prices worth about 10p, which the EEC Farm (FEOPA) would have to pay a 20p a pound butter price would do no more than the U.K. price in the U.K. year. The two inevitable which Britain must take

towards parity with EEC prices before the end of the transitional period this year, would bring retail butter prices up about 13p a pound.

At about 2.30 a.m. yesterday it looked as if the Council of Ministers might have reached agreement somewhere near these lines, said Mr. Silkin. But the meeting broke up hours later with Britain sticking to its position as the Commission's proposals would have meant U.K. housewives having to face higher food prices.

Mr. Silkin insisted that the month's delay before the ministers meet again — when agreement on the new prices is bound to come — would not adversely affect the confidence or output of U.K. farmers.

They would automatically get the two transitional price increases on dairy products, cereals and beef, but those due on April 1 would be backdated. The new increases in farm prices agreed at the April council meeting would not be backdated. There were some elements in the sort of package which might be agreed eventually that would please the U.K. These included cancelling notices from Mr. Fine Gael, the EEC Farm Commissioner, about the future of Britain's milk marketing Boards, the dropping by the Commission of its suggested margarine tax and ice cream

labelling provisions and the halving of the planned levy on isoglucose or maize syrup.

But U.K. willingness to deviate from the green pound had revealed no concession from the EEC on pig meat compensatory payment calculations.

Mr. Silkin said under the Commission's proposals he was being asked to penalise the British housewives and "this was simply not on."

He had been prepared to have resumed the Council meeting last evening after a day or two, but the general feeling in view of the political difficulties in several EEC countries was for postponement until the next scheduled meeting on April 25 and 26.

Union president said: "This makes me very angry and I am sure my anger will be reflected by all farmers. We have once again waited through the night for ministers talk without agreement."

"All hope for expansion becomes nonsense while pro-cornation and delay hits consumers as well as farmers."

It is absolutely scandalous that the gap between the Irish and the British 'green pounds' already a running sore for beef producers, should have been aggravated by a further devaluation in the Irish 'green pound' which will raise their subsidy on beef exports to us from 9.6p to about 15p a pound.

"In a situation in which the beef market has already failed to recover from last January's slump this can only create dismay and disappointment among British beef producers."

New shakeout in commodity markets

OUR COMMODITIES STAFF

WAS another big shakeout in metal and commodity markets yesterday as the London market came under renewed pressure, especially from those scrambling to get out of the market to avoid heavy losses on purchases made at levels.

was good trade buying at the lower levels which helped to steady the market.

The fall in coffee prices was generally attributed to the overnight permissible limit fall in New York, though some dealers suggested U.K. Government proposals for permanent price controls contributed to the market's nervousness. Others thought the decline could be a reaction to a short-term shakeout in U.S. trading deposits, which may have prompted selling in New York.

The most popular explanation for the weakness of the New York market, however, was the distinctly hesitant mood of the retail trade following recent sharp wholesale price increases by General Foods and Folger Coffee.

COMMODITY MARKET REPORTS AND PRICES

METALS

Commodity	Price
Lead	110.00
Zinc	115.00
Copper	125.00
Aluminium	135.00

COFFEE

Grade	Price
Arabica	1.25
Robusta	1.10

COCAOA

Grade	Price
Bean	1.50

SOYABEAN MEAL

Grade	Price
46%	1.80
48%	1.90

COCA COFFEE SILVER TIN

of the commodities traded on the London Markets to have achieved New Highs in 1977.

L. J. Clarke on 01-430 8641 or write to: **S.T. Commodities Ltd**, Walsingham House, 35 Seething Lane, London EC3N 4AH.

Aluminium increase forecast

By John Edwards, Commodities Editor

ALUMINIUM PRICES are expected to rise during the 1977-80 period at an average annual rate of 3-10 per cent, according to a Bank of America report out yesterday. It said the relatively large price increases forecast were attributable to favourable market conditions for producers and beef output costs.

Bolivia agrees to ratify tin pact

By Our Commodities Staff

BOLIVIA has agreed to ratify the fifth International Tin Agreement, it was announced in London yesterday. As a result the International Tin Council has established a tin economic and price review panel to conduct periodic reviews of buffer stock floor and ceiling prices.

SPICE SUPPLIES Trade of mysteries and rising prices

BY BERNARD SIMON

IT'S JUST as well spices make up a small fraction of the average housewife's food budget. "There is no such thing as a cheap spice now," noted one London trader this week.

Harvested Slashed

Various supply-demand pressures justify price increases in spices. But traders fear that other factors are destabilising the market, and they are at a loss to explain the complete drying-up in recent weeks of pepper supplies from Singapore and Sarawak, the two chief trading ports.

COMMODITY fund plea at Unctad talks

Developing countries called for detailed bargaining on a projected commodity financing fund to get under way by next November. It was claimed these countries had given up hopes of beginning substantive negotiations. At the current UN Conference on Trade and Development (UNCTAD) talks, Al Atatas, Indonesian delegate, speaking for the "Group of 77" linking more than 100 Asian, African and Latin American states, complained that industrialised countries had blocked negotiations, through dietary tactics.

PRICE CHANGES

Commodity	Price
Wheat	1.10
Barley	1.00
Oats	0.90
Rice	1.20

U.S. Markets

Commodity	Price
Gold	180.00
Silver	1.50

FINANCIAL TIMES

Index	Value
FTSE 100	100.00

REUTERS

Index	Value
REUTERS	100.00

DOW JONES

Index	Value
DOW JONES	100.00

MOODY'S

Index	Value
MOODY'S	100.00

RSEAS PERTY

700ft. waterfront on Hamilton Harbor. 1.58 acre building lot, spectacular view, shaded swimming, small private beach. Ideal for vacation. Write, wire, or call: J. Urquhart, Douglas Elliman-Gibbons and Ives, Inc., 575 Madison Avenue, New York, N.Y. 10022. (212) 632-5538. Cable: DouglEllan New York.

Switzerland

We build and sell around the of Lugano

Partnership in West Germany

Independent, aggressive trading company with sound financial sound, medium sized, well located for operating on the continent, handling non-ferrous metals, minerals, steel, etc. in a co-operation and/or agency relation with strong credit foreign producer/merchant house for marketing, selling, giving activities. Participation in stock capital possible. Write in full to: S.T. Commodities Ltd, Walsingham House, 35 Seething Lane, London EC3N 4AH.

BERMUDA

700ft. waterfront on Hamilton Harbor. 1.58 acre building lot, spectacular view, shaded swimming, small private beach. Ideal for vacation. Write, wire, or call: J. Urquhart, Douglas Elliman-Gibbons and Ives, Inc., 575 Madison Avenue, New York, N.Y. 10022. (212) 632-5538. Cable: DouglEllan New York.

PERSONAL

ONE OF THE WORLD'S 10 best private hospitals is being built in London. Write to: S.T. Commodities Ltd, Walsingham House, 35 Seething Lane, London EC3N 4AH.

JUTE

GRAPES - Good. Prices of 1000 and 1100 for April-June. Prices of 1100 and 1200 for July-September. Prices of 1200 and 1300 for October-December. Prices of 1300 and 1400 for January-March.

GRAINS

WHEAT - The Baltic - Brokers reported extremely quiet markets for imported wheat with prices generally unchanged.

WOOL FUTURES

LONDON - The market failed to materialise today's improvement in quiet trading, reports Bache.

MEAT/VEGETABLES

SMITHFIELD (veena a pound) - Beef: Scotch killed steers 6.0 to 6.2. Forequarters 5.8 to 6.0. Hindquarters 5.6 to 5.8. Veal: English fair 4.0 to 4.2. Scotch bonnies 5.0 to 5.2. Dutch hams 5.0 to 5.2. Lamb: English small 4.0 to 4.2. Scotch 4.2 to 4.4. Beef: 5.7 to 5.9.

ARGENTINE BEEF EXPORT HOPES

ARGENTINE BEEF exports, which doubled from 227,000 tons in 1975 to 454,000 tons in 1976 are expected to reach between 600,000 and 650,000 tons by the end of this year, according to Alberto Fraugio, Secretary of Foreign Trade, AP-Dow Jones reports from Buenos Aires.

ARGENTINE BEEF EXPORT HOPES

ARGENTINE BEEF exports, which doubled from 227,000 tons in 1975 to 454,000 tons in 1976 are expected to reach between 600,000 and 650,000 tons by the end of this year, according to Alberto Fraugio, Secretary of Foreign Trade, AP-Dow Jones reports from Buenos Aires.

STOCK EXCHANGE REPORT

Tentative late buying towards end of Budget speech leaves index up 8.8 at 420.4-Gilts firm on MLR hopes

Account Dealing Dates
Option
*First Declara- Last Account
Dealings Dates Dealings Dates
Mar. 14 Mar. 24 Mar. 25 Apr. 5
Mar. 28 Apr. 6 Apr. 7 Apr. 20
Apr. 12 Apr. 21 Apr. 22 May 3
New issue dealings may take place from 9.30 a.m. two business days earlier.

After trading quietly at slightly higher levels in front of the Budget, leading shares edged further ahead on the appearance of buyers towards the end of Mr. Healey's speech. Having steadily hardened to show a gain of 3 points at 2 p.m., the FT 30-share index was a net 4.4 up an hour later and the close, taken on prices at 5 p.m. and shortly afterwards, was 8.8 up for an overall rise of 15.8. This goes against the loss of 15.8 in the three previous trading sessions.

Gilt-edged were generally little changed except for short-dated issues which showed rises to 1. A downturn in the investment currency premium was reversed by the development of a demand, presumed to be for the purpose of investing in U.S. securities, which took the rate from 111.1 to 112.3 per cent. before a close of 112.1 per cent. up on the day. Yesterday's 52-week conversion factor was 0.7150 (0.7150).

Xonics Incorporated were officially listed on the London Stock Exchange yesterday; the shares opened and closed at 121.7 following a bid of 121.0.

Leading Banks met with a scattered small buying interest which had the effect of lifting Barclays 10 to 252.5, Lloyds 6 to 210.7 and Midland similar amount to 275p. National Westminster improved 5 to 230p. Overseas issues, Standard Chartered contrasted with a fall of 10 to 313p. Among Hire BP, also affected by the proposed sale of the Government's ex-Burmah stake, closing 18 below the day's best at an unchanged 78p.

Trade was on a reduced scale as seen in official markings of 6,213 which compares with Monday's 6,638 and the recent daily average in excess of 7,300. Interest was again largely centred on recent speculative favourites and on those companies due to report trading statements in the near future. The FT-Actuaries three main indices all hardened by about 1 per cent. with the All-share at 174.41. Ahead of today's South African Budget, Gold shares gave more ground in line with a further fall in the bullion price. The Gold Mines index shed 2.9 to 120.3 for a drop of 19.1 in the last six trading days.

Short Gilts rise
A slightly more confident tone in short-dated British Funds was indicative of an expected early resumption of the trend towards lower interest rates and some

buyers were anticipating little further ground in the late dealings and finished 4 up at 187p against British Home Stores, 185p, and UDS, 73p. Elsewhere, Formist continued in demand, rising 5 more to 85p. Raybeck was favoured at 44p, up 3, while E. Upton-A also found buyers and improved similarly to 22p.

The Engineering leaders continued firmly in the late trading. Hawker Siddeley ended 12 higher at 522p, while Tube Investments 6 better at 398p, the latter in front of today's results. GKN, 334p, and Vickers, 174p, both improved 4. Continued bid speculation pushed Telecom up 7 further to 85p, but Williams and James encountered firm-taking and reacted 1.5 to 161p after the recent rise on the results. Metal-

Spencer ended 4 higher at 114p and gains of 8 were marked against British Home Stores, 185p, and UDS, 73p. Elsewhere, Formist continued in demand, rising 5 more to 85p. Raybeck was favoured at 44p, up 3, while E. Upton-A also found buyers and improved similarly to 22p.

The Engineering leaders continued firmly in the late trading. Hawker Siddeley ended 12 higher at 522p, while Tube Investments 6 better at 398p, the latter in front of today's results. GKN, 334p, and Vickers, 174p, both improved 4. Continued bid speculation pushed Telecom up 7 further to 85p, but Williams and James encountered firm-taking and reacted 1.5 to 161p after the recent rise on the results. Metal-

After having hardened to 45p and gains of 8 were marked against British Home Stores, 185p, and UDS, 73p. Elsewhere, Formist continued in demand, rising 5 more to 85p. Raybeck was favoured at 44p, up 3, while E. Upton-A also found buyers and improved similarly to 22p.

The Engineering leaders continued firmly in the late trading. Hawker Siddeley ended 12 higher at 522p, while Tube Investments 6 better at 398p, the latter in front of today's results. GKN, 334p, and Vickers, 174p, both improved 4. Continued bid speculation pushed Telecom up 7 further to 85p, but Williams and James encountered firm-taking and reacted 1.5 to 161p after the recent rise on the results. Metal-

buying lifted Orley Printing fractionally to 13p; the latter's preliminary results are due on April 20.

Late news of the increases in both petrol and road tax duties, upset the Oil leaders which earlier had risen impressively in more animated trading. Sentiment in British Petroleum was also affected by the Chancellor's announcement that the ex-Burmah stake would be sold in the coming financial year; up to 304p during the day. BP reacted quite violently to 185p before reversing the overnight level of 78p, while Barnack gained 3 to 65p on hopes that it would receive some compensation when the sale is effected. Shell came back from 464p to 476p, prior to closing a net 6 higher, at 480p, while Royal Dutch improved 3 more to 444p. Secondary issues briefly edged away from the best prices, too, but Ultramar still ended 8 firmer at 148p and Berry Wiggins 4 deater at 33p; a few buyers found stock rather difficult to obtain in the latter and this eventually aroused old rumours of bid possibilities. Siebens (U.K.) recovered 2 to 66p, while a small speculative advance interest raised British-Bornes 4 to 144p.

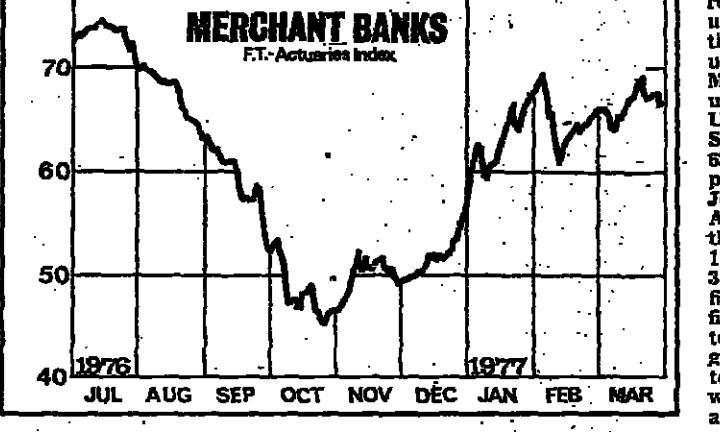
Bridgewater Estates revived in the afternoon, gaining 30 to 280p as hopes strengthened that Rothmans Investment Trust would improve on its current offer of 200p per share. Bernard Sunley were another subject to continuing bid speculation and rose 8 to 330p, while Peasey regained 10 to 100p more ahead of today's preliminary figures. Law Land, however, with a disappointing reception to its annual results and fell 2 to 45p. Elsewhere, Leaseway and Stock Conversion, a like amount to 187p, while MEPC, 82p, and British Land, 39p, both hardened the turn. Great Pacific and put on 4 to 216p, but there was little evidence that the sector as a whole was influenced by the renewed hope of an early resumption of the recent downward trend in interest rates.

Peterson Zochob A, 215p, gave up 10 of the previous day's jump of 25p which followed the good interim statement and news that the Treasury had excluded the company from dividend controls because of its status as an overseas operator.

Investment Trusts had little to commend them. Floreat hardened a penny to 19p, a penny higher than the 18p a share cash offer from Dawson Day. Derby Trust, Capital, remained firm, rising 5 to 125p for a two-day gain of 8. Small buying raised Selected Risk to 45p in front of today's preliminary results.

Shippings had a firm appearance following some small buying

affected among the issue and showed a net loss of 1.97. Lower priced stock was also affected, first-half deficit, were the exception in a Lorraine, however altered at 80p; p... minimal following of normal working disturbances between... appeared Overseas... sympathy with Ge... London-registered... U.K. industrial ma... but Gold Fields... 176p, reflecting... price... Coppers gave in... the further fall in... with Weasden's... Minoro 2 easier... continuing sharp... price lock in Lon... that metal... again. Going n... were both 5 chea... 25p respectively... Australia... banked in the trad... lack of director... however were a... 21.5, a gain of...



Chemicals responded to the increased dividend and record profits with a rise of 5 at 124p.

M. K. Electric good
MK Electric came to the fore in Electricals, finishing 10 higher at 150p in response to revised speculative interest. Pre Holdings, still reflecting last week's better-than-expected results, rose 4 to 66p, while Ultra Electronics were finally 4 higher at 329p following the announcement that Dowty's bid is not to be referred to the Monopolies Commission. The higher interim dividend and profits put AB Electronic Components 4 better at 84p, while small buying in this market left Perbow 3 harder at 154p and United Scientific 6 to the good at 185p. The leaders were quietly firm. Plessey edged up to 71p while General Electric, 178p, 851 215p, and BICC, 105p, all finished 3 deater. Reflecting Overseas advice, Phillips Lamps were marked up 25 to 885p.

Leading Stores traded quietly during official dealings but were inclined firmer in the after-hours trade in the absence of any increase in VAT. Marks and

FINANCIAL TIMES STOCK INDEX

Index	30th Aug 77	29th Aug 77	28th Aug 77	27th Aug 77	26th Aug 77
Government Secs	69.12	69.07	69.06	69.04	69.01
Fixed Interest	96.60	96.42	96.58	96.56	96.54
Financial Ordinary	420.4	411.6	418.1	421.4	427.4
Gold Mines	120.3	125.3	121.9	124.5	126.6
Sort. Div. Yield	5.36	5.48	5.34	5.31	5.29
Shareings % of Total	16.75	17.08	16.75	16.80	16.24
3-Month Rate (%)	8.75	8.61	8.76	8.68	8.96
Dealings marked	6,213	6,638	6,186	6,929	6,330
Equity turnover (£m)	69.50	80.25	83.25	101.01	7
Equity turnover (m)	17,720	18,469	18,988	18,958	18

HIGHS AND LOWS S.E. AC

Index	1977		Since Completion		Daily
	High	Low	High	Low	
Govt. Secs	69.44	68.48	117.4	69.18	Daily
Fixed Int.	96.60	96.42	160.0	90.53	Industrial
FT 30	420.4	411.6	221.0	404.79	Speculative
Gold Mines	120.3	125.3	100.0	124.5	Govt. Bonds
Sort. Div. Yield	5.36	5.48	4.8	4.9	Industrial
Shareings % of Total	16.75	17.08	16.75	16.80	Govt. Bonds

affected among the issue and showed a net loss of 1.97. Lower priced stock was also affected, first-half deficit, were the exception in a Lorraine, however altered at 80p; p... minimal following of normal working disturbances between... appeared Overseas... sympathy with Ge... London-registered... U.K. industrial ma... but Gold Fields... 176p, reflecting... price... Coppers gave in... the further fall in... with Weasden's... Minoro 2 easier... continuing sharp... price lock in Lon... that metal... again. Going n... were both 5 chea... 25p respectively... Australia... banked in the trad... lack of director... however were a... 21.5, a gain of...

RECENT ISSUES

EQUITIES

Issue	Price	High	Low	Change	or	or
11 FT	420.4	411.6	418.1	+8.8		
11 FT	420.4	411.6	418.1	+8.8		
11 FT	420.4	411.6	418.1	+8.8		
11 FT	420.4	411.6	418.1	+8.8		

FIXED INTEREST STOCKS

Issue	Price	High	Low	Change	or	or
2100 F.P.	101.4	101.4	101.4			
2100 F.P.	101.4	101.4	101.4			
2100 F.P.	101.4	101.4	101.4			

"RIGHTS" OFFERS

Issue	Price	High	Low	Change	or	or
42.76 F.P.	15.0	29.2	15.0			
8.1 F.P.	10.0	10.0	10.0			
100p F.P.	11.0	11.0	11.0			

ACTIVE STOCKS

Stock	Denomina- tion	No. of shares	Closing price (p)	Change on day	1977 high	1977 low
BP	£1	21	788	+6	936	780
Shell Transport	25p	17	450	+6	534	454
Burmah Oil	£1	12	78	+3	78	78
BATs Defd.	25p	12	235	+9	176	130
ICI	£1	11	357	+5	383	324
Barclays Bank	£1	9	282	+10	283	223
Charter Cons.	25p	8	128	+2	149	123
GUS A	25p	8	221	+2	230	176
GUS B	25p	8	224	+2	230	176
British Leyland	50p	7	224	+2	230	176
Gen. Accident	25p	7	182	+2	197	138
Marks & Spencer	25p	7	114	+4	116	96
Midland Bank	£1	7	278	+6	297	245
P & O Defd.	£1	7	185	+3	146	120

NEW HIGHS AND LOWS FOR 1977

Stock	High	Low
BP	936	780
Shell Transport	534	454
Burmah Oil	78	78
BATs Defd.	176	130
ICI	383	324
Barclays Bank	283	223
Charter Cons.	149	123
GUS A	230	176
GUS B	230	176
British Leyland	230	176
Gen. Accident	197	138
Marks & Spencer	116	96
Midland Bank	297	245
P & O Defd.	146	120

FT-ACTUARIES SHARE INDEX

These indices are the joint compilation of the Financial Times, the Institute and the Faculty of Actuaries

Index	29th March 1977	28th March 1977	27th March 1977	26th March 1977	25th March 1977
1 CAPTIAL GOODS (17)	144.12	+1.2	143.43	143.11	142.21
2 BUILDING MATERIALS (31)	138.63	+1.3	137.06	137.14	137.74
3 CONTRACTING, CONSTRUCTION (24)	231.87	+0.9	19.33	4.74	7.86
4 ELECTRICALS (18)	326.97	+1.7	16.94	4.92	8.75
5 ENGINEERING (GENERAL) (11)	209.49	+1.3	22.14	6.31	5.97
6 ENGINEERING (HEAVY) (8)	147.32	+0.9	18.34	6.49	7.99
7 MACHINES AND OTHER TOOLS (9)	74.63	+0.6	26.84	8.84	5.72
8 METALWORKING (25)	157.70	+0.6	37.58	8.72	9.54
9 CONSUMER GOODS					
11 DURABLES (23)	147.32	+0.7	18.13	5.94	8.22
12 LA. ELECTRONICS, RADIO TV (15)	167.27	+0.4	17.81	4.58	8.76
13 HOUSEHOLD GOODS (13)	148.02	+0.5	20.33	8.22	7.15
14 MOTORS AND DISTRIBUTORS (25)	95.55	+1.5	19.22	8.63	7.80
15 NON-DURABLES (21)	157.83	+1.2	15.23	6.39	9.64
16 FOODS (25)	120.17	+1.1	14.26	7.64	9.52
17 WINE AND SPIRITS (8)	173.96	+1.6	14.51	5.52	10.58
18 ENTERTAINMENT, CATERING (15)	196.08	+1.7	16.38	7.52	10.26
19 FOOD MANUFACTURING (21)	169.37	+1.4	17.50	5.68	8.52
20 FOOD RETAILING (7)	162.86	+1.2	13.12	5.11	11.03
21 NEWSPAPERS, PUBLISHING (16)	244.92	+0.5	10.58	4.59	10.11
22 PACKAGING AND PAPER (14)	110.62	+0.5	16.35	7.14	9.81
23 STORES (20)	135.19	+1.3	11.6	5.2	11.24
24 TEXTILES (20)	152.84	+0.9	14.14	7.89	11.09
25 TOBACCO (3)	209.05	+2.1	21.94	8.60	6.85
26 TOYS AND GAMES (5)	84.92	+1.1	19.90	7.57	6.67
27 OTHER GROUPS (94)					
28 CHEMICALS (20)	227.07	+1.3	15.98	5.19	9.10
29 OFFICE EQUIPMENT (7)	95.94	+0.3	18.37	5.83	9.52
30 SHIPPING (10)	468.74	+1.1	13.58	6.24	10.46
31 MISCELLANEOUS (51)	167.63	+1.2	15.93	7.29	9.77
32 INDUSTRIAL GROUP (48)	166.34	+1.2	16.29	6.12	9.04
33 OILS (4)	432.24	+0.4	21.70	4.19	10.72
34 FINANCIAL GROUP (100)	128.17	+1.1	25.50	5.78	9.29
35 BANKS (8)	132.94	+1.2	6.03	6.03	138.8
36 ESTATE AGENTS (10)	152.88	+2.7	27.89	6.28	5.65
37 REPAIRS (10)	167.06	+0.4	8.62	8.62	157.61
38 FIRE INSURANCE (5)	116.93	+0.7	7.97	5.98	25.40
39 LIFE INSURANCE (10)	108.81	+0.8	6.96	6.96	112.7
40 INSURANCE (COMPOSITE) (7)	166.49	+0.7	6.96	6.96	185.3
41 INSURANCE BROKERS (10)	278.66	+1.3	12.87	4.98	12.28
42 MERCHANT BANKS (15)	66.30	+0.2	6.40	6.40	66.3
43 PROPERTY (31)	172.18	+0.9	4.27	3.28	38.07
44 MISCELLANEOUS (6)	80.84	+0.6	18.89	10.69	8.34
45 INVESTMENT TRUSTS (50)	168.59	+0.3	3.17	4.72	148.8
46 MINING FINANCE (4)	97.70	+0.8	10.83	5.18	11.71
47 OVERSEAS TRADING (14)	264.95	+0.2	37.56	37.56	263.20
48 ALL-SHARE INDEX (171)	174.41	+1.0	17.75	17.75	172.64

FIXED INTEREST

Index	29th March 1977	28th March 1977	27th March 1977	26th March 1977	25th March 1977
1 Consols 2 1/2% yield	125.5	125.4	125.5	125.6	125.0
2 30-yr. Govt. Stocks (6)	94.61	111.96	94.63	94.63	94.59
3 30-yr. Red. Deb. & Loans (15)	92.58	104.06	92.58	92.51	92.75
4 Investment-Trust Prefs. (15)	48.00	14.25	48.00	48.00	48.01
5 Coml. and Indl. Prefs. (20)	99.84	19.95	99.87	99.87	99.77

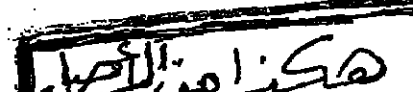
OPTIONS TRADED
Calls were dealt in Beechwood, Commercial Union, Whescol, London, EML, P & O Deferred, Avon Rabbit, Royce, Prudential Assurance, London Brick, Consolidated Plantations, Rio Tinto, Zinc, K&N, GEC, Sellincoast, Allied, Walmers, Interspace, Berry, Wiggins, Tripartite, Ludbrook, Peasey Property, Siebens Oil, Woodhouse Kixson, Swan Hunter, Barrat Developments, Armitage Shanks, Y. W. Woolworth, Grand Metropolitan, U.K. Edinburgh Peasey Prop Industrial, Nevill Parsons, Wm. Transco, Associated, Dalries, Teaco, Burnam Oil and BSG Convertible and Peasey Load. A put was done in William Press, with doublets were arranged in Prudential Assurance, Commercial Union, Peasey Property, Ludbrook, Peasey Property, Siebens Oil, Woodhouse Kixson, Swan Hunter, Barrat Developments, Armitage Shanks, Y. W. Woolworth, Grand Metropolitan, U.K. Edinburgh Peasey Prop Industrial, Nevill Parsons, Wm. Transco, Associated, Dalries, Teaco, Burnam Oil and BSG Convertible and Peasey Load.

THOSE REQUIRING THE FT DAILY, PLEASE SIGN BELOW:

Dare you circulate this?

If you did, you'd probably be amazed how many people would want the FT—and quite rightly. Shouldn't your departmental heads and executives be as well-informed as you are? Make sure they all have their own copies of the FT—every day.

In these competitive times everyone in business needs the **FINANCIAL TIMES** EUROPE'S BUSINESS NEWSPAPER



AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Main table containing financial data for various unit trusts and offshore funds, including columns for fund names, managers, and performance metrics.

BASE LENDING RATES table listing interest rates for various banks and financial institutions.

ITALIAN INTERNATIONAL BANK advertisement featuring 'BASE RATE' and 'hat, with effect from 21st March, their Base Rate for lending was reduced to 11%'.

Mercury Fund Managers Ltd. table listing details for various fund managers and their associated funds.

NEK Trust Managers Ltd. table listing details for various trust managers and their associated funds.

Target Trust Managers Ltd. table listing details for various target trust managers and their associated funds.

Trades Union Unit Trust Managers table listing details for various trades union unit trust managers and their associated funds.

Various other fund manager tables including details for different investment managers and their portfolios.

INSURANCE, PROPERTY, BONDS advertisement with 'INSURANCE BASE RATES' and 'Property Growth 11%'.

Handwritten note: 'Copy sent to [unclear]'

CHRISTIE & CO. Specialists in the sale of privately-owned businesses and companies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Table of British Funds including Treasury, Five to Fifteen Years, and Over Fifteen Years categories.

CANADIANS

Table of Canadian stocks including various companies and their share prices.

BUILDING INDUSTRY—Continued

Table of Building Industry stocks including firms like Bovis Lend Lease and Bovis Construction.

DRAPERY AND STORES—Continued

Table of Drapery and Stores stocks including retail chains like Debenhams and Debenhams Group.

ENGINEERING—Continued

Table of Engineering stocks including manufacturing firms like BHP and British Steel.

INDUSTRIALS

Table of Industrial stocks including various manufacturing and service companies.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase stocks including financial institutions like Lloyds Bank and National Westminster.

ELECTRICAL AND RADIO

Table of Electrical and Radio stocks including electronics and electrical equipment manufacturers.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks including petrochemical and plastic manufacturers.

ENGINEERING, MACHINE TOOLS

Table of Engineering and Machine Tools stocks including precision engineering firms.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, and related stocks including food processing and retail chains.

INTERNATIONAL BANK

Table of International Bank stocks including global financial institutions.

CORPORATION LOANS

Table of Corporation Loans including various corporate debt instruments.

BEERS, WINES AND SPIRITS

Table of Beers, Wines, and Spirits stocks including beverage manufacturers.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres, and TV stocks including entertainment companies.

DRAPERY AND STORES

Table of Drapery and Stores stocks (repeated section).

AMERICANS

Table of American stocks including major US companies.

FOREIGN BONDS & RAIS

Table of Foreign Bonds and Rais including international debt securities.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber, and Roads stocks.

DRAPERY AND STORES

Table of Drapery and Stores stocks (repeated section).

AMERICANS

Table of American stocks (repeated section).

AMERICANS

Table of American stocks (repeated section).

LOANS (Miscellaneous)

Table of Miscellaneous Loans including various debt instruments.

AMERICANS

Table of American stocks (repeated section).

AMERICANS

Table of American stocks (repeated section).

AMERICANS

Table of American stocks (repeated section).

AMERICANS

Table of American stocks (repeated section).

AMERICANS

Table of American stocks (repeated section).

AMERICANS

Table of American stocks (repeated section).

Conversion factor 6.7150 (9.7130) and other financial notes.



Limited reaction in the markets

STERLING gained 5 points to \$1.792; the weighted index was unchanged at 61.8. Foreign exchange dealers suggested the market regarded the Budget measures as of little concern outside a domestic context.

NEWS SUMMARY

Belfast rocket attack

Two soldiers were injured in a Soviet-made RPG-7 rocket attack on a Saracen armoured car in Belfast yesterday.

Porn advertisement

Undermined

Briefly . . .

The appeal by the U.S.-born journalist, Mark Rosenball, against a deportation order was dismissed by the Court of Appeal.

BUSINESS

Post Office plans letter delivery cut

POST OFFICE'S proposed five-year business plan envisages a cut in letter deliveries to one a day and a greatly reduced parcels service.

Officials blame KLM pilot

BLAME FOR Sunday's air disaster at Tenerife Airport, in the Canary Isles, in which more than 570 people lost their lives, tonight began to be shifted increasingly towards the pilot of the Dutch KLM jumbo jet.

First insurance payment

THE FIRST insurance payout in respect of the disaster will be made this morning, writes Eric Short, Sedgwick Forbes, a leading insurance broker.

United Technologies bids \$509m. for Babcock U.S.

BABCOCK AND WILCOX, the U.S. maker of steam-generating and nuclear fuel units and a one-time but now divested minority shareholder in Babcock and Wilcox U.K., became the target of a \$509m. takeover bid this morning by United Technologies, which emphasised in its statement that the offer was strictly conditional on Babcock's shareholders being permitted "an opportunity to determine for themselves whether to accept."

Internal air fares to rise

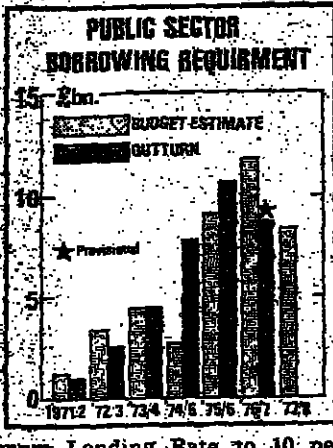
INCREASES of between 5 and 15 per cent. on most internal air routes from April 1 have been approved by the Civil Aviation Authority.

Budget

there is more than usual uncertainty about the 1977-78 projections. All the changes are within the guidelines of the IMF Letter of Intent, with Domestic Credit Expansion now expected to be only about half that allowed for in the ceiling of £9bn. for the current financial year and "safely within the limit" of £7.7bn. for 1977-78.

The Chancellor's guessing game

"If anything," said the Chancellor yesterday, "I must err on the side of caution this year." That broadly summarises the shape of the Budget. For what it is worth, the financial forecasts suggest that Mr. Healey is pushing up towards the limits allowed him under the agreement with the IMF.



Contrasting risks In his Budget last spring the Chancellor relied on Treasury projections of a moderately strong economic rally—which never materialised—and blatantly courted the risk of a credit collision between the public and private sectors.

Italy has urgent talks with IMF

ROME, March 29. SIG. GAETANO STAMMATI, the Italian Treasury Minister, flew to Washington tonight for urgent consultations with the International Monetary Fund after the Government and leaders of the country's three trades union confederations appeared to have reached deadlock in their negotiations on parts of an economic package to curb Italy's inflation, now running at more than 20 per cent.

Unions refuse

The breakdown in talks between Sig. Giulio Andreotti, the Prime Minister, and top labour leaders came, in effect, late last night when the unions refused to accept a Government plan to remove higher indirect taxation from the basis on which Italy's price-linked quarterly threshold payments to most workers are calculated.

Weather

U.K. TO-DAY MAINLY dry in England, wetter elsewhere. London, E. S.E. Cent. S. N.W. England, E. Anglia, Midlands. Mostly dry with bright periods.

The Ladbrokes Park Town Casino advertisement, including details of gaming centres, opening hours, and contact information.

Continued from Page 1

Continued from Page 1

Continued from Page 1

Continued from Page 1